

REPORT FROM NORDIC BALTIC UNDECLARED WORK PROJECT 2019-2021

Final report



Project steering group

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Content

| | |
|---|----|
| Background and the work done | 3 |
| Workgroup inspections | 6 |
| Recommendations | 6 |
| Workgroup analyses and effect | 8 |
| Recommendations | 9 |
| Workgroup cooperation | 11 |
| Authorities' cooperation | 12 |
| Recommendations regarding cooperation between national authorities..... | 12 |
| Recommendations regarding bilateral cooperation between authorities | 12 |
| Tripartite cooperation | 12 |
| Recommendations for tripartite cooperation..... | 12 |
| Workgroup communication | 13 |
| Recommendations | 13 |
| Conclusions and way forward | 15 |

Appendixes (separate files/documents, not attached)

1. Report from workgroup inspections
2. Report from workgroup analyses and effect
3. Report from workgroup cooperation
4. Report from workgroup communication
5. PowerPoint presentation of the project

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Background and the work done

The Nordic countries are very committed to the task of tackling undeclared work. We see it as crucial to establish good collaborations with all EU member states for the success of this, but especially between ourselves due to geographical proximity. This also applies to our neighbouring countries in the Baltic region. We share many of the challenges that can be identified on the European work market today and facilitating the transition from undeclared work to formal work is one of the most important for us all. Therefore, we joined in a project in 2017 and applied for funding within the EaSI-PROGRESS to collaborate with practical work and specific cross-border projects. These have been cross-border inspection visits, exchange of good practices regarding information- and communication tools and also producing a model that allows for effective evaluation of the work against undeclared work being done in each country in the future.

In fact – this work has been so successful that at a meeting in Stockholm the Nordic ministers agreed upon a declaration to enhance the joint collaborations and efforts to combat work-life criminality and undeclared work.¹ A second project building upon the first was launched in 2019 also financed by the Eu Commission. This work would never have been done if the commission had not graciously granted our two applications.

The report at hand presents some of the good practices and recommendations shared between the seven participating countries during the project. Due to the limited format of this report, you will only get glimpses of all that have been presented and discussed. If you want to learn more about specific examples, you will find more details in the appendixes and please feel free to contact the representatives listed on the front-page for more information, they will for sure appreciate your interest. Below are also the links to relevant webpages.

FINLAND

<http://www.tyosuojelu.fi/web/en/home>

LATVIA

www.vdi.gov.lv/en/

SWEDISH WORK ENVIRONMENT AUTHORITY

<https://www.av.se/en/work-environment-work-and-inspections/>

PLATFORM FOR UNDECLARED WORK

<http://ec.europa.eu/social/main.jsp?catId=1299&langId=en>

ESTONIA

www.ti.ee

<http://ti.ee/en/organisation-contacts/the-labour-inspectorate/posted-workers/>

NORWAY

<https://www.arbeidstilsynet.no/en/>

<https://www.workinnorway.no/>

DENMARK

<https://at.dk/en>

<https://workplacedenmark.dk/en/>

ICELAND

<https://www.vinnueftirlit.is/english>

<https://vinnumalastofnun.is/en/foreign-workers>

<http://posting.is/en>

¹ <http://www.nordiclbourjournal.org/nyheter/news-2018/article.2018-04-17.5977014649>.



Both projects were based on the same line of thoughts and agreements in-between the participating countries: *make it practical – keep it simple – involve practitioners – share responsibilities*. This was key for the success of the work being done. In this spirit the projects were comprised of several working groups, and some of their results are shown per working group in this report.

By finding ways for quick information, have common risk analysis in the field of undeclared work and establish networks and contact points – our authorities is in the front line when it comes to combatting undeclared work, work life criminality and unhealthy competition. Also in relation to the European Labour Authority, this work has acted as a foundation for future collaboration.

The themes were:

- Inspections and exchange of staff/assistance – in this project with an additional work stream looking into transport sector and new forms of work.
- Preventative approaches, communication, and information – continuing exchange of good practice initiatives and innovative approaches – producing a joint large-scale campaign.
- Knowledge – effect and analysis. Need to elaborate further on both model for evaluation and tools for risk assessment.
- Throughout the work a special effort has been to involve the social partners in the respective countries. Their participation both during and after the project is crucial in finding effective ways for combatting undeclared work.

Within each theme there was a focus on continuous evaluation of what constitutes as success factors in tackling undeclared work. This applied specially to working methods, to enable feedback and learning through seminars within the European Platform for Undeclared Work.

The working groups – themes

Inspections

Inspections was conducted in several different ways and with different aims. A specific effort was made to inspect companies doing business in more than one Nordic country. Building upon the findings from the first project we focused on for example:

- Inspections to which other countries colleagues are participating and the aim was to learn good practices
- A special focus with seminars to investigate the problems we face within road transport sector and other relevant sectors, such as platform and GIG economy.

Preventative activities, including communication and information

In all Nordic countries there is work being done that focuses on information and raising awareness. Within the project we elaborated on these and put together a joint campaign focusing on a special topic and addressing a certain target group. In this work there was a part of looking into how to get a larger reach by using emotions and posing questions to employers and employees, that gives opportunity for self-evaluation. The aim was to focus on information and raising awareness in order to combat UDW, exchange methods of good practice and discuss new and innovative practices. Apart from a film the working group also put together a catalogue of good practice activities/solutions for sharing also outside of the project.

Knowledge – effect and analysis

There is an increasing demand for measuring the effects of public administrated interventions and actions taken to better control and increase the transparency of public spending. The main aim was not to only document that there is a balance between efforts and costs of the launched interventions and the expected outcome, but also to learn how to adjust the interventions so they can become more efficient. Apart from testing a process indicator from the first project, the working group also proposes a model for inspection methods and best practices for tackling undeclared work. This includes ways for sharing information but also in connection to above regarding risk assessment for more efficient inspections.

Social partners and other authorities

As already stated, the involvement of social partners is crucial, but also the collaboration in-between different authorities. Within the project a working group was formed to create meetings and seminars with all relevant stake holders, to identify bottle necks and discuss solutions for these. Based on these the working group produced several recommendations on how to collaborate more effectively to combat undeclared work.



Workgroup inspections

The aim of the inspection activities was to carry out joint inspections between labour inspections of two-and-two countries within themes related to “undeclared work” (as defined and practiced in each country). By joint cross border inspections, our inspectors got the possibility to learn from colleagues in another project country about their regulations, organisation, priorities, methods of inspections, paper work and culture.

In 2019, we completed 14 separate inspector exchanges involving 29 inspectors so that each project country hosted two countries’ inspectors – either on same or separate periods. Each country also had their inspectors visiting two countries for an inspector exchange. In total 104 inspections were carried out in different sectors mainly construction and HORECA. We were able to get some concerted but not simultaneously inspections in road transport sector done. Unfortunately, the Covid-19 pandemic stopped the rest of exchanges planned.

We can see that we can do „concerted and joint inspections“ (CJI’s) together but it was hard to find real cross border cases. Most of our inspections have been of exchange, mutual learning type rather than a real ad hoc case. The inspections have had a significant impact of showing companies using national borders to avoid taking their responsibilities in social protection, taxes and occupational health and safety that borders will not protect them. We are working together cross agency and cross border. Our inspectors have learnt how to set up CJI’s and cross border cooperation plans. Learnt best practices and started the creation of a regional network that will make cross border cooperation easier in the future.

Recommendations

Cross border

- The Service Centre for Foreign Workers, which is almost a “one stop shop” for foreigners coming to work in Norway. At the service centre, foreigners can meet representatives from Immigration, the Tax authority and Labour authority.
- Two countries visiting a third: this gave the exchange extra value, almost as visiting two countries at the same time!
- In a situation where there was an open case in Finland regarding a Latvian company, it was possible to see what type of information was directly available for OSH authority in Latvia. It was possible to confirm that all workers that reportedly had been posted to work in Finland were also registered as company’s workers in Latvia.

- Finnish Labour Inspectorate officials often come into contact with Estonian companies and employees, which is why cooperation with the Estonian Labour Inspectorate is very common. A positive example is the personal contact (telephone, e-mail), which provides fast access to operational information and an option to subsequently formal request via IMI if the information needs to be confirmed.

Planning the inspection

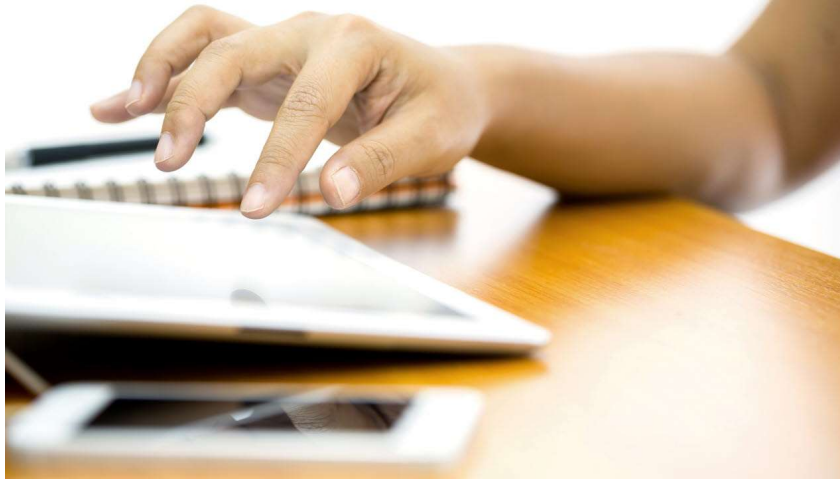
- To take laptop or tablet on field, especially if there is wide access to various databases and information, which might be helpful in the inspection.
- The www.teatmik.ee. We find the register to be helpful when gathering information, who you must talk to, and write to, if the company has problems with health and safety, as well as minimum salary and working contracts.
- The analysis team seems to be very effective, very practical sitting together- making possible for quick way for decisions - can have a team ready in minutes - have their own cars - everybody participates no matter if there is not likely for their authority to get a “hit”.
- All tips coming into the Labour Inspectorate of Latvia are given a feedback by an inspector

During the inspection

- Interesting that they do not have to draw up a report during the inspection, thus reducing bureaucracy and allowing the inspector to devote more time to communication with the employer/employee and he is able to make a report at the end of inspection.
- We find it efficiently, that the company is informed immediately, concerning problems, they have to solve, and that they have, to respond in writing, within 5 days. This makes it easy for the company to improve issues concerning health and safety, and with a minimum use of public resources, it is possible for the Estonian health and safety to do an inspection.
- One report was written to the responsible company (which in most cases was the main contractor) for the working environment at the construction site. He was thus responsible for solving all the problems and reporting back to AOSH when the problems were resolved.

After the inspection

- It is good practice for the main contractor on the construction site to be informed of the irregularities found by the inspectorate regarding to their subcontractors.
- The results of the inspections are often shared with different authorities. This can be useful for each authority when they deal with the inspected company.
- There was a really good cooperation between the authorities, including the exchange of information collected, both during and after the inspection. The ability of the individual authorities to share collected information into each other's registers, retrieve information in each other's registers, and exchange information was very well developed.
- Other comments also on this matter: good and efficient cooperation between authorities need legislation and tools enabling data sharing easily between authorities.



Workgroup analyses and effect

This workgroups work builds on the previous Nordic UDW-project where a process indicator was developed, which measures each country's conditions for facilitating cross-agency cooperation to combat UDW (See the previous project's report: *Process indicator for combating undeclared work. Report to Nordic Working Group. May 2018*). The Corona pandemic affected the work process, and the aims for the project were to:

- Test the produced process indicator which measures each country's conditions for facilitating cross-agency cooperation to combat UDW.
- Describe how each country work with risk and effect indicators.
- Provide recommendations on how to facilitate cross-agency cooperation.

The process indicator consists of 15 items that each reflect conditions that are considered important prerequisites for achieving efficient cross-agency cooperation. The prerequisites are sorted under three over-arching categories; (1) Governmental framework conditions, (2) Knowledge and intelligence, and (3) Operative procedure and sanctioning (see Table 1 below).

Table 1. The matrix with process indicator items.

| Category | Item # | Item | Score 0 = 'No' 1 = 'To some degree' 2 = 'Yes' | Score elaboration or further comment |
|--------------------------------------|--------|--|--|--------------------------------------|
| Governmental framework conditions | 1 | Is combating undeclared work a stated goal for the government? | | |
| | 2 | Is there an overarching governmental strategy on combating undeclared work? | | |
| | 3 | Are there joint action plans for cross-agency inspections? | | |
| | 4 | Are there joint cross-agency assignments from the ministries? | | |
| | 5 | Is there a regular joint report on activities and effects from cross-agency efforts to combat undeclared work? | | |
| | 6 | Are there national indicators for measuring undeclared work? | | |
| | 7 | Is the legal framework adapted to combating undeclared work (i.e. sanctions)? | | |
| Knowledge and intelligence | 8 | Do the existing legislations enable agencies to share and combine information? | | |
| | 9 | Do agencies share and analyse strategic information? | | |
| | 10 | Are there dedicated cross-agency staff for working with knowledge and intelligence? | | |
| | 11 | Are there joint IT systems to facilitate knowledge and intelligence? | | |
| Operative procedures and sanctioning | 12 | Are there co-located cross-agency inspection teams working together on a daily basis? | | |
| | 13 | Are there cross-agency inspection teams which are not co-located but working together on a regular basis? | | |
| | 14 | Are there cross-agency procedures on how to coordinate efficient sanctioning ("tactical sanctioning")? | | |
| | 15 | Are the roles and jurisdiction of each member in the cross-agency teams clearly defined? | | |

Recommendations

The main result from this workgroup, is that the process indicator may serve as a useful tool to measure or map the conditions and possibilities for cross-agency cooperation. On the very least, the use of the process indicator could be a starting point for cross-agency discussions on how to facilitate cooperation and maximise sanctioning impacts.

Regarding the governmental framework conditions, cross-agency cooperation requires both top-down and bottom-up action to create the necessary push and pull factors that leads to effective cooperation. Top-down refers to the policy level or the political level. Bottom-up refers to the practitioners working in the agencies that are trying to tackle UDW. The policy level needs to get feed-back and knowledge from the practitioners, or the grass root-level, to formulate policy that give the needed push or pull for effective cross-agency cooperation.

Regarding knowledge and intelligence, sharing and combining of information should be a stated goal for cross-agency cooperation, where the legal procedures and work processes require to be adapted accordingly. Sharing and combining information (e.g., register data) in a structured way is key for cross-agency cooperation. Sharing data and information must not only be legal, within reasonable forms, but also be part of the working culture of all participating agencies.

Regarding operative procedures and sanctioning, UDW inspections should preferably be done by designated cross-agency teams, that possess the proper knowledge and training on both the UDW-phenomenon and on each other's jurisdictions, working methods, etc. Effective cooperation between authorities therefore presupposes that there is consensus on the goal of the cooperation, and that joint methods and procedures have been developed that also provide scope for each authority's ability to carry out controls. However, to effectively tackle UDW the entire legal chain from inspections to prosecution, needs to be dimensioned to handle complex and difficult-to-investigate cases.

Inspections and investigations are costly and can easily drain the agencies' resources and manpower. Preventive work, e.g., communication, should therefore also be part of the cross-agency efforts to tackle UDW.



Workgroup cooperation

The workgroup found it useful to split its work between two axes: The cooperation between (relevant) national authorities and between authorities and the social partners (tripartite cooperation). The reason for this distinction is because of the different powers and interests these two axes represent. It was also considered important to bring people with similar interests together to get good discussions and get examples and thoughts “on the table”. Initially two seminars were planned and conducted:

- Seminar with participants from relevant authorities were held in Tallinn, Estonia, in August 2019
- Seminar with participants from the labour inspectorates and social partners were held in Copenhagen, Denmark, October 2019

We found that, while the cooperation between authorities showed relatively similar interests and activities in the seven countries, the tripartite activities and experiences were more heterogeneous, with a wider range of experience and practice. We therefore saw the need for arranging a second seminar with tripartite cooperation on the agenda, and with a brave focus on “trust”:

- Seminar with participants from the labour inspectorates and social partners were held as a “webinar” (on Teams platform), February 2021

The aim of the WG Cooperation has been to share good practices, establish networks and promote cooperation activities. Simply because undeclared work can’t be tackled by one stakeholder alone. From a juridical perspective, the authorities have the powers to intervene to problems and fraud in the labour market, but in practice and on the ground, and often because the social partners have power based on collective agreements, there will always be a need for tripartite cooperation to have a complementary (holistic) approach.

All countries have already some experiences with cooperation between authorities on a national level, though some are more experienced than others. It’s a common understanding that a holistic and coordinated cooperation is important to fight undeclared work. Political and top-level commitment is crucial for a successful cooperation. Cooperation/activity agreements, dedicated recourses, and good routines to share information are among other topics that needs to be in place to establish and perform a fruitful cooperation between authorities. The seminar

focused at three objectives; Organisation of authority's cooperation, priorities for cooperation and what obstacles that hinders cooperation.

Authorities' cooperation

Recommendations regarding cooperation between national authorities

- Establish top-to-bottom understanding and commitment (political/ministry/ General Directors/middle-leaders/servants)
- Relevant agencies agree (or are instructed) to work together and use a wide set of means/powers
- Establish formal agreements (from «private» to «formal» cooperation)
- Establish common understanding and common goals to tackle the problems in the labour market
- Allocate needed resources (financial funding and human resources)
- Establish common KPI's that reflects added value of joint operations, rather than all agencies work for themselves
- Clarify secrecy issues and how to share information between the agencies
- Holistic approach; Both deterrence and prevention
- Internal focus: Different organizational cultures, must establish «a common culture» when working together

Recommendations regarding bilateral cooperation between authorities

Establish networks, get to know each other's competences, set up agreements (MoUs) and projects agreements), use formal tools like IMI and "dare" to take the first step by trying to cooperate in specific "hot" cases involving mutual interests between countries. Learning-by-doing is better than being reluctant and wait for others to try out new ways of working.

Tripartite cooperation

Recommendations for tripartite cooperation

- There is a need for different forums and arenas where contacts and meetings can be held
- Establish common understanding and knowledge of problems that we are facing in the labour market
- Holistic approach based on the stakeholder's competences (risk evaluation, information, negotiations, interventions etc). Different stakeholders have different competences – use them all
- Establishing trust takes time with continuous engagement
- Respect different positions and goals, but try to establish a set of common understanding and goals
- Safeguard trust in institutions and in agreements
- The personal touch is important, respect for each other, and each other's knowledge
- Early intervention when facing trouble, do not let obstacles and problem grow
- If there is no trust, put it on the agenda for discussion. Why is the trust missing, how can we establish trust?



Workgroup communication

The working group for communication was given the twofold task to produce a joint communication material to combat undeclared work and to exchange methods of good practice, present different initiatives and discuss possible approaches concerning communication for combatting undeclared work. The work of the group was to focus on digital media or material which can be distributed digitally. The group was to provide insight into current practices and methods.

The outcome of the work was a communication film on equal treatment of posted workers, a short kit film on “clean operations” in the cleaning industry and a digital handbook for the participating authorities, particularly communication experts and others that wish to incorporate communication to combat undeclared work.

Two communication campaigns were carried out by the working group for communications. The first during January 2021. The participating authorities were the Icelandic Directorate of Labour, The Swedish Work Environment Authority and the Finnish Occupational Safety and Health Administration. The combined impressions of the three countries on all platforms were 796.000 views. The platforms used were LinkedIn, Facebook, Instagram, Twitter and YouTube. The second communication campaign was the distribution of the Finnish version of the kit film adapted by the working group. The film was distributed for comparison purposes by the Finnish Occupational Safety and Health Administration and reached 51.044 individuals and number of impressions was 137.735. The channels used for distribution were LinkedIn, Facebook, Instagram and Twitter.

The handbook benchmarked the results of the group, and the advantages and challenges in further collaboration in communication. The handbook provides good examples and information on communication practices in the participating authorities.

Recommendations

- Communication and data analysis should go hand in hand when it comes to selecting the message, target group and appropriate channels. Cross border collaboration in communication should be supported by experts that can provide data and analytical insight into the problem at hand and the prospective target groups of the campaign.

- Collaboration should not only encourage the production of new material but also to re-imagine and adapt existing material to new target groups and new markets.
- Flexibility can be achieved in joint communication material despite the countries having different competences and legislations on the subject. When country specific versions are produced, they can allow for nuances that stem from legislation, competences, and communication priorities. It must be respected that country specific priorities can vary and don't always align.
- Cross border collaboration in communication should be made a realistic option - not only a luxury. The more often collaboration takes place on an expert level the more effective and effortless the collaboration becomes. This has immense impact on the outcome of the work improving both the quality and cost effectiveness of the collaboration.



Conclusions and way forward

In the original proposal for the first project from 2017 the aim was to:

“...strengthen already established co-operation within each country through cross-border inspection and mutual learning activities – and by bringing together, highlighting, and sharing good practices that can be found.”

This aim continued to be the leading idea for the second project that has been presented in this report. By working closely through the years, we have built a network of experts and practitioners, a network that is built on trust and mutual understanding for the challenges at hand on our shared work market. The success of these two projects – and then especially this last one cannot be overestimated.

- ✓ **More than 250 unique experts and stakeholders from relevant fields from our seven countries have been directly a part of the project.**
- ✓ **Even more experts and stakeholders have been reached all over Europe when project members have participated in different events organised by for example ELA, the Platform against undeclared work, and many national events.**
- ✓ **As an example, we shared our experiences how to set up concerted and joint inspections (CJI) at an ELA training module.**
- ✓ **More than 1 000 000 individuals have been reached by our communication groups awareness raising campaigns and films. Material produced in the first part of the project is still generating views.**
- ✓ **We made 104 worksite inspections together in 7 different sectors. And most likely met the double number of different companies during these inspections.**

The project has worked closely with all relevant stakeholders to disseminate results – for example The European Labour Authority and the Platform for Undeclared Work. Despite the pandemic we managed to fulfil all the objectives and meet up to our and others’ expectations. The project has hosted several seminars and webinars – two of the most prominent focused on road transport and GIG-economy/Platform work. Several authorities and social partners from almost all participating countries contributed actively – with more than 100 participants per seminar. The results of the seminars have also been shared to all EU member states by The European Labour Authority.

The projects have shown such good results that all seven project countries have signed an agreement of continuous cooperation. And, Lithuania have also joined us to be a part of the network: Nordic and Baltic work to tackle undeclared work. So, the work continues and will prove to be even more valuable as new challenges arises for the labour inspectorates.