

# Action plan to combat social dumping and work-related crime

Submitted by the Støre Government 1 October 2022

## Introduction

The Norwegian societal model is based on a working life with fair and safe working conditions, businesses with proper practices and organised industrial relations. Organised industrial relations represents the first line of defence against social dumping, work-related crime and competition distortion. Safe employees in permanent full-time positions provide the best protection against low-wage competition and exploitation. Decent pay and employment conditions also give workers rights to benefits and pensions through the National Insurance system. Pay and employment conditions according to the national standard shall apply to all those who come to Norway to work. This is necessary for us to prevent and combat work-related crime.

The Government has launched a number of initiatives to strengthen employees' rights, reduce non-permanent forms of employment and strengthen organised industrial relations. Social dumping and work-related crime is a tangible challenge in parts of the transport sector, and a separate action plan with measures for this sector will therefore be presented. The Government has also implemented concrete measures to prevent low-wage competition and to ensure compliance with Norwegian pay and employment conditions in the maritime and aviation sectors.

The public sector is a large buyer of goods and services and has a particular responsibility for ensuring proper practices and decent pay and employment conditions among its suppliers. The Government is working to introduce a general model (*Norgesmodellen*) that lays down national requirements for proper practices in all public procurements. This model will utilise a wide range of instruments, such as regulatory change, increased guidance and development of digital tools. At the initial stage, the model will apply to public procurements in the construction industry and the cleaning industry, with an ambition for gradual expansion to other industries and sectors. The Ministry of Trade, Industry and Fisheries has the main responsibility for this work, in collaboration with the Ministry of Labour and Social Inclusion, the Ministry of Education and Research and the Ministry of Local Government and Regional Development.

The efforts to ensure proper practices must be undertaken jointly by the authorities and the social partners. The Government will reinforce the tripartite collaboration in labour relations, and the authorities will make use of all relevant arenas to work with the social partners on measures to prevent and combat social dumping and work-related crime. The Government and the social partners have a mutual interest in ensuring that measures are in place to help boost unionisation rates and the coverage of collective agreements.

## **Main areas in the action plan**

This action plan includes measures in the following main areas:

- Organised industrial relations and strengthened tripartite cooperation
- Strengthen employees' rights
- Prevent exploitation of employees
- Mobilise the power of consumers and buyers
- Increase knowledge about social dumping and work-related crime
- Control and follow-up – inter-agency cooperation
- International cooperation

In some areas, the Government proposes a reinforcement of the efforts in the national budget for 2023. Beyond this, the measures in the action plan are implemented within the existing budgetary framework.

The ministries that are responsible for the specific measures follow them up via their agencies in separate processes. The Government will prepare annual reports on the follow-up of the action plan and use these reports as a basis for discussions with the social partners on challenges and further efforts to combat social dumping and work-related crime.

Financial gain is a key motivation behind social dumping and work-related crime. There is therefore a close linkage between social dumping, work-related crime and other forms of economic crime, such as money laundering, fraud, bankruptcy-related crime, tax evasion, fraudulent accounting and securities crime. In this action plan, the Government has nevertheless chosen to focus on the topics that are most salient for working life. Efforts to combat other forms of purely economic crimes are ensured by other processes. This also includes work on secure identity verification and uniform identity management, which is one of the fundamental preconditions for effectively preventing and combating work-related crime and other forms of economic crime.

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### **What is meant by social dumping and work-related crime?**

This action plan is based on the same definitions that have been applied in previous public documents, strategies and action plans, cf. *Report no. 2 (2005-2006) to the Storting, Revised national budget. Ch. 3.6. Action plan to combat social dumping. (St.meld. nr. 2 (2005-2006) - regjeringen.no - in Norwegian)* and *Strategy to combat work-related crime (2021) (Strategi mot arbeidslivskriminalitet (2021-) - regjeringen.no - in Norwegian)*.

The term *social dumping* refers to the practice of giving workers, and particularly migrant workers, significantly poorer pay and employment conditions than Norwegian workers. This can involve breaches of health, working environment and safety regulations, including rules on working hours and requirements for housing standards, and/or when wages and other benefits are unacceptably low in comparison with the normal earnings of Norwegian employees or do not comply with regulations for general application of collective agreements where these are in force.

The term *work-related crime* refers to various forms of profit-motivated crime in working life. This type of crime takes place at the cost of employees' conditions of employment and rights, but it also undermines the tax base and the welfare system. Unscrupulous and criminal actors who exploit tax rules and benefits schemes for their own enrichment contribute to the undermining of trust in Norwegian authorities and the welfare system.

There is no legal definition of work-related crime; it is a generic term for acts that violate Norwegian laws on pay and employment conditions, benefits and taxes, often in an organised form, that exploit workers or distort competition and undermine the social structure.

While work-related crime involves criminal offences, social dumping can also entail improper working conditions that do not entail any breach of regulations.

## **Background**

### **The challenges**

According to the National Inter-Agency Centre for Analysis and Intelligence (NTAES) and its description of the situation with regard to work-related crime in 2020, exploitation of

migrant workers and evasion of taxes are the two most common forms of work-related crime. Other typical forms of work-related crime include fraud, welfare benefit scams, use of fictitious and false information, bankruptcy-related crime and evasion of employer responsibility. Gross exploitation, forced labour and human trafficking also occur.

Work-related crime is associated with economic crime. Economic crime is normally defined as 'profit-motivated, unlawful actions that are often committed within or originating from an economic activity that is in itself – or purports to be – legal'. Money laundering, fraud, welfare benefit scams, bankruptcy-related crime, evasion of taxes and customs duties, fraudulent accounting and securities crime all fall under this definition.

According to the threat assessment by the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (Økokrim) for 2022, tax crimes occur most frequently in the construction industry, although they are also found across many industries and include undeclared wage payments and turnover. Clandestine work is when wages are not reported to the Norwegian Tax Administration and employers do not pay their National Insurance contributions or deduct tax from workers' wages. According to Økokrim, some employees report that their employer deducts tax from their wages but does not pay it to the Government. Since reported income forms the basis for entitlement to many of the benefits from the Norwegian Labour and Welfare Administration (NAV), clandestine work puts employees in a precarious situation.

Økokrim's threat assessment provides a description of the threat posed by criminal networks operating in business and industry. Frequently, no clear distinction can be drawn between networks that engage in traditional organised crime, such as drug trafficking, and networks that perpetrate economic or work-related crimes. Business enterprises are used as a legal façade and provide opportunities for money laundering, tax evasion, welfare benefit fraud and loan scams.

According to Økokrim, access to or the ability to influence professional actors is often required to successfully carry out some types of crime and avoid detection by the police and inspection agencies. This also applies to certain types of work-related crime. Gains from criminal activity are hidden, disguised and legitimised with the aid of professional facilitators who use their expertise and their trusted position in society. According to Økokrim, it is highly likely that some professional actors deliberately and actively facilitate criminal activity. Accountants can be facilitators of, for example, fictitious invoicing, tax evasion and fraudulent accounting practices, which enable businesses to

obtain credit on a false basis. Økokrim reports that some accounting firms have a considerable proportion of known criminal actors on their lists of clients.

The Norwegian Labour Inspection Authority, NAV, the police and the Norwegian Tax Administration prepare joint reports on the inter-agency collaboration to combat work-related crime. According to their annual report for 2021, estimating the scope of work-related crime is challenging, because this criminal activity is not directly observable and its scope is influenced by numerous and complex factors. In general, there are indications that the scope of work-related crime represents a serious problem for society. Business surveys show that in 2021 fewer respondents than previously believed that problems with work-related crime were common in their industry. However, the proportion of businesses that report widespread challenges with work-related crime is higher in the construction, cleaning, transport and fishery industries than in other industries.

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#### **Exploitation of vulnerable workers**

In its threat assessment for 2022, Økokrim reports that criminal actors most likely will attempt to exploit refugees from Ukraine and other migrant and vulnerable workers in the form of clandestine and illegal work, including prostitution and forced labour. According to Økokrim's threat assessment, exploitation is particularly rife in labour-intensive occupations with a high proportion of unskilled workers, such as construction, car valeting and maintenance, goods transport, cleaning, and seasonal work in agriculture and fisheries. Unregistered migrant workers who are paid in cash are vulnerable to exploitation by employers who unlawfully enrich themselves from their remuneration. This also applies to workers who perform work under someone else's identity, including re-used identities. It is difficult for the authorities to uncover this type of exploitation.

In 2022, the Fafo research institute issued a report entitled *Gross exploitation of migrant workers. The grey zone between the regular labour market and human trafficking*. The report shows that some vulnerable workers are in a grey area between the regular labour market on the one hand and the provisions in the Penal Code on human trafficking/forced labour on the other. In these grey area cases, the workers are grossly exploited despite the legal criteria for human trafficking not being met, which can be a hindrance to obtaining adequate help.

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### **Industries and business sectors where work-related crime is widespread**

According to reports from the agencies, Økokrim and NTAES, work-related crime is especially prevalent in business sectors that employ a high proportion of unskilled labour. The criminal actors operate in multiple business sectors and frequently shift their activities to different industries. According to the agencies, the risk is highest in the construction, hospitality, transport and car valeting industries. A further common feature of these industries is their high proportion of migrant labour.

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### **Crime in the delivery van industry**

The demand for goods transport has increased, and with its low start-up costs and limited regulation, this industry has been subject to numerous cases of work-related crime. According to Økokrim's threat assessment for 2022, criminal actors set themselves up as sub-contractors, make deliberate use of sole proprietorships to avoid employer's liability and undertake work for large haulage companies. The actors engage in tax evasion, launder the revenues, pay the drivers undeclared wages and expose them to unreasonable working conditions and social dumping. Welfare benefit fraud also occurs in this business sector. Collaborative monitoring by the agencies has revealed widespread crime in the delivery van industry. An inter-agency group in the Oslo police district has prepared a *manual* to prevent such crime. The manual provides concrete advice and recommendations to employers who commission transport services.

The challenges in the delivery van industry are described in more detail in the Government's action plan to combat social dumping in the transport sector.

## Measures

### **Organised industrial relations and strengthened tripartite cooperation**

*Trade unionism and employers' organisations represent the core of the Norwegian industrial relations model. Orderly employment relations constitute the first line of defence against social dumping and work-related crime. Through the collective agreements, a framework has been established for problem-solving and cooperation between employees and employers at the industry and national levels. The Government wants to promote organised industrial relations and collaborate with the social partners in extending the coverage of collective agreements. The Government will enter into a binding cooperation with the social partners on the efforts to combat social dumping and work-related crime. Tripartite industry programmes are a key arena in this context. The Government will continue these efforts and strengthen the dialogue with the partners on relevant measures.*

#### **1. Increase the tax deduction for union dues**

The tax-deductible amount for trade union membership fees has remained unchanged for many years. A tax deduction for such fees can help increase the unionisation rate, which is a precondition for the Norwegian industrial relations model. The Government will double the maximum deductible amount for trade union membership fees over a period of two years. The first stage was implemented in 2022, and this measure will be followed up in the national budget for 2023.

#### **2. Increase the unionisation rate and the coverage of collective agreements in cooperation with the social partners**

The Government will cooperate closely with the social partners to ensure organised industrial relations with proper practices. Reports on the development of organised industrial relations and the various forms of employment relationships will be submitted at regular intervals. The Ministry of Labour and Social Inclusion will hold annual conferences to draw attention to measures on which the authorities and the social partners can collaborate to help boost unionisation rates and collective agreement coverage. The first conference is currently being planned and will be held in 2022.

Signing a collective agreement should be an attractive option. In the regulations, businesses that are bound by a nationwide collective agreement with a trade union will be given more latitude than non-unionised businesses, for example when it comes to use of agency workers.

### **3. Improve knowledge about organised industrial relations**

In cooperation with the social partners, the Government will help spread knowledge about the Norwegian industrial relations model and the role of the organisations. Key arenas for these efforts will be upper secondary schools, universities and university colleges, management training programmes and the workplaces of workers who hail from countries with a low unionisation rate.

### **4. Reinforce the 'Collaboration Against Underground Economy' (SMSØ) at the regional and national levels**

In the Collaboration Against Underground Economy (SMSØ), the Norwegian Tax Administration and the social partners are working on measures to help establish a level playing field for businesses, decent workplaces and compliance with regulations. In 2022, the regional component of SMSØ will be reorganised to strengthen this collaboration. The objective is to give each region more freedom in addressing these issues, and for the activity to be determined by the needs and capacities of the parties involved. The collaboration is based on the central social partners, but will remain open for other actors and stakeholders to participate.

### **5. Support 'Fair Play Bygg Norge'**

The Government supports local initiatives to promote organised labour with proper practices. The employees' and employers' organisations established the 'Fair Play Bygg' groups in the construction industry, which for many years have implemented information campaigns, and given tips to the authorities about rogue actors and guidance to vulnerable groups. 'Fair Play Bygg Norge' is an amalgamation of these local groups. The Government will propose granting support to 'Fair Play Bygg Norge' for a period of three years.

### **6. Extend the right to collective legal action to further areas**

Following a proposal from the Government, the trade unions' right to take legal action in cases of illegal use of agency workers has been reintroduced. The Government will consider extending the right to take collective legal action to further areas, for example in breaches of the principle of equal treatment and illegal temporary employment.

## **Strengthen employees' rights**

*Uncertain and unpredictable working conditions and insecure forms of employment create favourable conditions for social dumping and work-related crime. The Government's goal is for employers to provide full-time, permanent positions. Accordingly, the general provision on temporary employment has been repealed. In addition, draft legislation has been proposed*



*to strengthen the right to full-time work and restrict the use of temporary agency workers. Employers shall not have incentives to organise themselves out of their responsibilities, and it shall not be possible for employee rights to be limited through the use of independent contractors and the self-employed.*

### **7. Clarify the concept of employee in the Working Environment Act**

Minimising the proportion of workers who are in the grey area between employee and contractor is a key objective. The Government will therefore clarify the concept of employee in the Working Environment Act. The Government will also introduce a rule saying that employee status shall be presumed unless the employer can present compelling evidence of a contractor relationship. This sends an important signal to those who try to circumvent their responsibilities as an employer. This work is a follow-up of the majority proposal in the green paper NOU 2021: 9 (The Norwegian Model and Industrial Relations of the Future).

### **8. Ensure transparent and predictable conditions of employment**

The Government will introduce a number of amendments to the Working Environment Act and the Civil Service Act to ensure safer and more predictable conditions of employment for employees. The proposals are related to and will serve to implement a new EU directive on transparent and predictable working conditions. The Government has initiated a consultative round on the amendments to the rules pertaining to written employment contracts, which require employers to include further elements in the contract, such as skills development and identification of the employment agency when hiring labour from temporary work agencies. The deadline for signing an employment contract is cut from one month to seven days. The proposals also include stricter requirements for the length of the probationary period, stricter and clearer requirements for advance notification of working hours, and the employee's right to receive a written reply to a request for more predictable and transparent conditions of employment.

### **9. Clarify the requirements for accommodation provided by employers**

Social dumping and work-related crime inspections uncover deficiencies and poor housing conditions for employees living in accommodation provided by employers. There is therefore a need to clarify what is meant by the statutory requirements for employers to provide proper living quarters for employees. Currently, housing is regulated by Section 4-4 of the Working Environment Act. The Norwegian Labour Inspection Authority has held a consultation round on a proposal to specify the requirements for living quarters in a separate chapter in the Regulations concerning the

design and layout of workplaces and work premises. The Norwegian Labour Inspection Authority will follow up this consultation round and specify the amendments to be made to the regulations.

### **10. Protect the rights of employees in cases of bankruptcy**

The Government will appoint a public commission to conduct an enquiry of possible regulatory amendments to ensure employee rights and combat rogue actors who exploit the bankruptcy system. As a result of such exploitation, employees lose their job and income, and the Government has to cover outstanding wage claims and the costs of managing the property of the company being liquidated. It is important to have regulations that promote proper business practices and protect employees' rights.

## **Prevent exploitation of employees**

*Exploitation of vulnerable workers, who in many cases have non-standard forms of employment, often occurs in cases of social dumping and work-related crime. Migrant workers with little awareness of their rights and obligations are especially vulnerable in this regard. Økokrim and other actors are warning against the risk of recently arrived refugees being subject to labour exploitation. The Government will ensure appropriate training in language skills, social studies and safety for migrant workers and refugees, to enable them to understand their duties and rights in relation to employment. The arrangement operated by the Norwegian Agency for Quality Assurance in Education (NOKUT) for the approval of qualifications and skills acquired abroad will be further developed. Strengthening employee rights, increasing the number of inspections and providing targeted information are the Government's key measures to prevent the exploitation of employees.*

### **11. Strengthen the Norwegian Labour Inspection Authority**

More inspections are needed to prevent and combat social dumping and the exploitation of workers. The Government believes that the previous government did not utilise the Norwegian Labour Inspection Authority to a sufficient extent, and now aims to strengthen the Authority's capacity to carry out inspections and ability to impose sanctions when breaches occur. The Norwegian Labour Inspection Authority needs to ensure a broad-based follow-up of businesses in industries that are characterised by improper practices and social dumping. It must also increase the number of inspections aimed at uncovering illegal pay and employment conditions, circumvention of employer responsibility, illegal use of agency workers and breaches of rules on equal treatment and general application of collective agreements. The Norwegian Labour Inspection Authority will also be tasked with establishing an approval scheme for temporary

agencies (see measure 22). The Government will propose an increase in the funding of the Norwegian Labour Inspection Authority.

### **12. Strengthen the general application of collective agreements**

The general application of collective agreements is an important measure for combatting social dumping and work-related crime. The regulations in this area include various rules which, collectively, should make this arrangement effective and ensure compliance with the applicable pay and employment conditions, as well as counteract work-related crime. An evaluation by Economics Norway in 2021 concluded that the general application of collective agreements is working as intended by helping to reduce social dumping and competition distortion. The Government will consider amendments to the regulations, including the extension of joint and several liability. The social partners will be involved in this work.

### **13. Consider changes to the immigration regulations to prevent the exploitation of migrant workers**

The Government will consider changes to the conditions for residence permits for work purposes in order to prevent migrant workers from being exploited, including the need to tighten the temporary disqualification provision in Section 27 of the Immigration Act. The Government will also look at measures to ensure that migrant workers have proper housing conditions during their stay in Norway for work (see measure 9).

### **14. Improve online information about employment conditions**

Easily accessible information about employment conditions and regulations is crucial for migrant workers being able to protect their rights and fulfil their obligations while working in Norway. The Government will improve the online information channels. The Norwegian Labour Inspection Authority's information campaign 'Know your Rights', financed with Norway Grants, is to be continued and further developed in cooperation with labour inspectorates in central and eastern Europe. In a collaboration with the Ministry of Finance, the Ministry of Labour and Social Inclusion and the Ministry of Justice and Public Security will jointly task relevant agencies with improving the coordination of the online information for migrant workers and employers.

### **15. Use central platforms such as the Norwegian Tax Administration's ID check to disseminate information to migrant workers**

Together with the social partners, the agencies concerned will design and further develop easily accessible information on Norwegian employment rights and on organised industrial relations, and will include relevant contact details. Relevant arenas for migrant workers and the authorities, such as the Norwegian Tax Administration's ID check and the Service Centre for Foreign Workers (SUA), can be used to disseminate the information.

### **16. Improve information for businesses about following up pay and employment conditions of migrant workers**

The Government will strengthen its efforts to inform and guide businesses who use migrant workers by making information on pay and employment conditions more easily available. This will also extend to those who purchase services, as they can exert considerable influence on what requirements should be imposed for pay and employment conditions.

The Ministry of Labour and Social Inclusion will initiate efforts to make it easier to access information and guidance on the regulations on the duty to provide information and ensure compliance and on the right of inspection by employee representatives.

Foreign seasonal workers are typically used in agriculture, and particularly within the fruit and vegetable sector/horticulture industry. The authorities, agricultural organisations and producer associations in the fruit and vegetable sector have worked together to produce information for agricultural employers about the rights and duties in the employment relationship. The Ministry of Agriculture and Food will follow up this work with the agricultural organisations.

### **17. Strengthen the assistance for workers who are exploited and victims of human trafficking and forced labour**

In some cases, employees are grossly exploited by employers. There may be people who are at risk due to, for example, poverty, age, unemployment, lack of language skills or their asylum status.

In accordance with Norway's international obligations, the authorities are implementing measures to combat human trafficking and forced labour.

Employees who are exploited do not usually have the resources to demand protection of their rights. Greater protection for workers in a vulnerable position can help uncover and address cases of exploitation by employers and prevent serious cases of human trafficking in the form of forced labour. The Government will review measures that can strengthen the help provided for victims of gross exploitation, including cases of social dumping and work-related crime that are not serious enough to be considered human trafficking (grey area cases). The Government will take a closer look at measures to make it easier to report this type of crime.

The Government is also considering criminalising other forms of exploitation of foreign nationals by employers that are not categorised as human trafficking.

There is a need for assistance with various practical measures for victims of work-related crime and more serious cases of forced labour. The Government will continue and strengthen the funding for, inter alia, voluntary organisations that provide help for vulnerable workers.

### **18. Look into setting up an online overview of employment contracts**

All employees must have a written employment contract. It is crucial that good systems are in place to document these contracts and maintain an overview of them. The Government has proposed improvements to the regulations on employment contracts (see measure 8). The Norwegian Labour Inspection Authority and the Norwegian Tax Administration will assess whether an online overview of employment contracts should be established. This is one of several topics within the inter-agency cooperation on the 'digital ecosystem'. The main purpose of digitised employment contracts is to provide more opportunity to ensure that employers are complying with their statutory and contractual obligations. This can, for example, take the form of other actors verifying data/information on employers' pension schemes and occupational injury insurance and such like, by giving employees access to data/information in their own 'My page', and through more opportunities for the authorities to carry out inspections.

## **Mobilise the power of consumers and buyers**

*Consumers, private businesses and public sector buyers must be empowered to make informed decisions and choose bona fide suppliers. Access to information about suppliers is therefore crucial. The Norwegian Labour Inspection Authority has its own approval schemes for cleaning and car valeting businesses. The Government has put forward a proposal for*

*similar measures for temporary agencies. Increasing awareness of these arrangements will make it easier for buyers to carry out checks on their suppliers.*

*The new Marketing Control Act imposes a requirement on large businesses to provide information on matters relating to compliance with basic human rights and decent employment conditions in their own business and in their supply chains.*

*Mobilising the power of buyers is a key instrument for preventing social dumping and work-related crime. Many local and county authorities and public sector enterprises include clauses on proper practices in their contracts. The Government will follow this up through a general model (Norgesmodellen) and establish national requirements for proper practices in all public procurements. The Norwegian model will utilise a wide range of instruments, such as regulatory change, increased guidance and development of digital tools. The model will be developed gradually, and will initially cover the construction and cleaning industries.*

### **19. Develop a system for sharing information on proper practices**

Quality-assured information from public agencies can provide valuable information that can be used in the efforts to combat social dumping and work-related crime. The Government will prioritise the focus on monitoring how public agencies' quality-assured information within the framework of data protection can be shared between different public bodies and with private businesses and consumers. The Government will continue to consider possible regulatory measures in order to achieve this.

### **20. Further develop the Tax Administration's cooperation agreements with public sector employers and private contractors**

The Norwegian Tax Administration has entered into a number of cooperation agreements with public sector employers and private contractors. The aim is to facilitate accurate reporting and enable the actors to prevent work-related crime in their contracts. An evaluation performed in 2021 by Oslo Economics shows that these cooperation agreements work as intended and are facilitating the rejection/exclusion of unscrupulous actors from contracts. This work will be continued and further developed in collaboration with other public authorities.

### **21. Convey information to consumers through public awareness campaigns**

The consumer market for services is huge, and in order to hinder social dumping and work-related crime it is vital that consumers choose suppliers with proper practices. The

Government will prioritise measures that enable consumers to make informed choices. The website handlehvitt.no will be further developed as a portal for conveying information and guidance to consumers. The Norwegian Tax Administration's public awareness campaign is helping consumers to choose tradespeople with proper practices. Today, 22 of Norway's largest urban and holiday cottage communities are part of the cooperation, which was established in 2016. The Norwegian Tax Administration will assess whether the measure should be introduced nationwide.

## **22. Consider publishing decisions on suspended operations to make it easier for buyers and consumers not to choose unscrupulous and criminal actors**

The Government wants to help ensure that buyers and consumers have better access to information that enables them to identify unscrupulous and criminal actors. The Norwegian Labour Inspection Authority will carry out a pilot project in which they will publish decisions on suspended operations in the transport sector. Based on the experiences with this, the Norwegian Labour Inspection Authority will also consider publishing other decisions on suspended operations in businesses in other sectors.

## **23. Provide sufficient information about established approval schemes and introduce a new approval scheme for temporary agencies**

The Government has proposed the introduction of an approval scheme for temporary agencies. An approval scheme has recently been introduced for businesses that provide services in car valeting, tyre storage and tyre changing. There is also an approval scheme for cleaning companies. The Government will ensure adequate follow-up of the established approval schemes. Approval entails the businesses being entered in a publicly accessible register. One of the aims of the scheme is to enable consumers and other buyers to choose suppliers with proper practices. The Norwegian Labour Inspection Authority will work on information campaigns aimed at, for example, consumers in order to raise awareness of the schemes.

## **24. Consider introducing a national register for food service licences**

Hospitality establishments need a food service licence from the local authority. It is currently up to each individual local authority to keep track of who holds such licences. Following the initiative of the tripartite industry programme for the hospitality industry, concept work has been carried out, the result of which was a recommendation to create

a national register for food service licences. This could make it easier for local authorities, consumers and supervisory authorities to obtain an overview of approved licensed establishments and actors. The register could also help safeguard a more robust basis for the activities of regional safety representatives in hotels, restaurants and cleaning. The work will be followed up by a project group in which the Norwegian Labour Inspection Authority, the Norwegian Association of Local and Regional Authorities and the social partners participate.

## **Increase knowledge about social dumping and work-related crime**

*It is important that measures and instruments aimed at combatting social dumping and work-related crime are based on sound knowledge and a good understanding of the problem. This can help ensure that the measures are targeted to where they are most needed and where they are most likely to make a difference. Relevant knowledge is currently being developed in several arenas. An evaluation of inter-agency cooperation on work-related crime is underway, and this will be followed up once the report of the findings is available. Better statistics are also being developed on temporary agency work. In addition, the various public agencies in the anti-crime cooperation have their own analysis resources. NTAES will devise national analysis and intelligence products that will serve as decision support tools for the police and inspection agencies.*

### **25. Evaluate new regulations on the use of temporary-work agencies**

The Government has submitted proposals for changes to the regulations for temporary-work agencies, cf. Proposition to the Storting (Bill) 131 (2021–2022). Regulations will also be introduced banning the use of temporary agency workers on construction sites in Oslo, Viken and Vestfold. In collaboration with the social partners, the Ministry of Labour and Social Inclusion will launch an external R&D project to shed light on the impact of the new regulations on employees and employers, and map compliance and any adaptations to the new rules. The results from the project will be used in the evaluation of the measures.

### **26. Improve statistics on the use of temporary-work agencies**

The use of temporary agency workers varies between industries and businesses, and there are also regional differences. The Government believes there is a need for better



statistics on the use of temporary agency workers. The Ministry of Labour and Social Inclusion has previously carried out several surveys and has now commissioned Statistics Norway to identify opportunities for obtaining more information on employers' use of temporary agency workers. The measures will be followed up in collaboration with the social partners (see measure 2).

### **27. Learn more about the use and extent of unpaid or very low paid work**

Many businesses offer unpaid positions in the form of 'traineeships' and 'internships' etc. The framework for such forms of employment can vary, but common features are that they are aimed at students or recent graduates, they are not part of a study programme and they are either unpaid or very low paid positions. Little is known about the scope and use of these types of positions. The Ministry of Labour and Social Inclusion will carry out an external research project to identify whether such positions constitute a problem of any magnitude, as well as the repercussions for the employee and whether this primarily represents a replacement for paid labour. The planned start date of the research project is autumn 2022, with completion in 2023. The project's findings will form the basis for a further assessment of whether measures related to these types of positions are necessary to ensure secure and decent employment conditions.

### **28. Collate previous evaluations of measures to combat social dumping, and map compliance and follow-up of regulations on industrial relations**

Several surveys and evaluations have been carried out and are ongoing with a view to understanding the effects of measures that have been initiated to prevent and combat social dumping and work-related crime. The results from these projects will provide a basis for an overarching assessment of the measures. Few of the findings from research and investigation projects shed light on the scope of compliance with the regulations. Together with the social partners and R&D groups, the Ministry of Labour and Social Inclusion will collect experiences from the surveys conducted, and look at how more systematic studies of compliance and follow-up of regulations can be carried out.

### **29. Increase research on topics related to migrant workers, social dumping, work-related crime and human trafficking**

To ensure that the Government's efforts are targeted appropriately, a better knowledge base is needed of the influencing factors, drivers and barriers in social dumping and work-related crime. This includes knowledge of the repercussions for those affected and for society, as well as methods for measuring the development and effects of measures aimed at preventing and combatting crime. This will be the subject of follow-up measures under the auspices of the Research Council of Norway through the welfare, culture and society portfolio, as well as separate research commissioned by ministries and relevant agencies.

### **30. Follow up the evaluation by the NTAES**

NTAES was established in 2016 to strengthen the police and inspection agencies' knowledge base in economic crime, including work-related crime. The centre consists of staff from the Norwegian Labour Inspection Authority, NAV, the Norwegian Tax Administration, Norwegian Customs and the police. NTAES conducts threat and risk assessments and devises intelligence products as a basis for the agencies' priorities and efforts to combat economic crime and work-related crime.

NTAES was evaluated by the Norwegian Agency for Public and Financial Management (DFØ) in 2021. DFØ found that NTAES is in a unique position to develop a knowledge base for shared priorities at a strategic level, but that this is not currently exploited sufficiently. More change is needed if the centre is to add value to the interdisciplinary anti-crime cooperation. The Ministry of Justice and Public Security and the Ministry of Finance are following up on DFØ's evaluation report.

### **Control and follow-up – inter-agency cooperation**

*Cases of social dumping and work-related crime often entail breaches of the rules in various authorities' areas of responsibility. Joint efforts are therefore needed in knowledge building, control and follow-up. Inter-agency cooperation to combat work-related crime has been limited by the lack of opportunities to share and process confidential information between the different authorities. Recent regulatory amendments will strengthen the cooperation and help target efforts. The cooperation between the authorities means that sanctions can be used that have the greatest effect in each individual case. The follow-up of work-related crime by the police and the public prosecutor will be strengthened, and will be aimed in particular at the investigation and prosecution of serious offences.*

### **31. Strengthen inter-agency cooperation to prevent and combat work-related crime**

The Government will strengthen cooperation between public authorities. The inter-agency anti-crime cooperation between the Norwegian Labour Inspection Authority, NAV, the police, the Norwegian Tax Administration and Norwegian Customs is pivotal to the efforts to prevent and combat work-related crime. Centres to combat work-related crime have been established in Oslo, Bergen, Stavanger, Kristiansand, Trondheim, Bodø and Tønsberg, and a new centre will be opened in Alta in autumn 2022.

Effective inter-agency cooperation is dependent on agencies having sufficient authority to share and process information. Regulations on sharing confidential information and processing personal data etc. in the inter-agency cooperation to combat work-related crime entered into force in June 2022 and will lay the foundation for a more effective cooperation.

KPMG has been commissioned by the ministries to evaluate the inter-agency cooperation, and a report of its findings will be submitted towards the end of 2022. The Ministry of Labour and Social Inclusion, the Ministry of Finance and the Ministry of Justice and Public Security will continue to develop the inter-agency cooperation in line with the evaluation.

### **32. Ensure effective use of sanctions**

In order to combat crime, it is vital that offences are uncovered and sanctioned quickly and effectively. The police and the inspection and supervisory authorities will cooperate more closely on which sanctions to apply in order to ensure that they have a quick and noticeable effect, and are proportionate to the seriousness of the offence. The Government will strengthen the use of sanctions. The Norwegian Labour Inspection Authority has already been instructed to apply fines more liberally when the circumstances warrant it, and to ensure that the sanctions and size of the fine will have an optimum effect on employers in terms of compliance with the regulations.

Administrative sanctions (such as fines, daily penalties, administrative confiscation, etc.) should, in principal, be imposed for offences that the inspection agencies are able to identify and sanction in a satisfactory manner. The police and the public prosecutor must prioritise their work, including confiscation, in order to investigate and prosecute serious offences and offences for which administrative sanctions are not considered sufficient.

The office of the Director of Public Prosecutions will strengthen its expertise in managing economic crime, including work-related crime, and help enhance the competence and increase efforts in the public prosecutor's offices and police to combat this type of crime.

### **33. Follow-up service for digital sharing of supervisory data between supervisory authorities**

In the autumn of 2021, the Brønnøysund Register Centre and several supervisory authorities launched the data sharing service Tilda, aimed at improving the flow of supervisory data between supervisory authorities. Tilda will help to optimise the planning and coordination of supervisory activities across all supervisory authorities, and improve the accuracy of risk assessments prior to inspections. The service is designed to meet the needs of the approximately 80 supervisory authorities in Norway and selected suppliers of administrative systems. This digital sharing of supervisory data will be developed further, including by assessing how the service can be extended to include information on sole proprietorships.

## **International cooperation**

*The Norwegian authorities participate in many international cooperation forums, such as Europol, Interpol and the OECD Task Force on Tax Crimes and Other Crimes. The work ensuing from such cooperation arenas will enhance the effectiveness of efforts to combatting cross-border crime. The challenges of social dumping and work-related crime are largely the same in all countries. The Nordic countries have a close cooperation on common approaches and the sharing of experiences, both at political and agency level.*

*Many businesses are also international actors with responsibility for protecting human rights and ensuring decent working conditions in their supply chains. The OECD's guidelines for multinational companies and the new legislation on transparency (Marketing Control Act) include requirements and expectations for how employers are to carry out due diligence and implement measures to identify, prevent, curb and report on the actual and potential negative consequences of their operations.*

### **34. Continue the cooperation with ELA**

The Government will continue its cooperation with the European Labour Authority (ELA). ELA represents an opportunity for strengthening the European cooperation to combat

cross-border work-related crime. ELA is an agency under the European Commission which has been tasked with strengthening the cooperation between EU/EEA countries on the rules on, inter alia, labour mobility. The regulation on which ELA is based – Regulation (EU) 2019/1149 of the European Parliament and of the Council of 20 June 2019 establishing a European Labour Authority – does not entail any relinquishment of national authority to the ELA. Norway currently participates as an observer in ELA's Management Board and in working groups on various topics within ELA's remit, as well as in already established systems such as EURES.

### **35. Strengthen the cooperation with the inspection authorities in the Nordic countries and the Baltic states**

The Government will continue to strengthen the cooperation with the inspection authorities in the Nordic countries and the Baltic states. International cooperation is vital for preventing social dumping and combatting cross-border work-related crime. Financed with EEA funds, a bilateral inter-agency cooperation project between Norway and Lithuania is currently underway, where the aim is to transfer Norway's experiences and build an inter-agency cooperation on specific supervisory matters. The Norwegian Labour Inspection Authority is also involved in cooperation measures with the authorities in other Eastern and Central European countries. A separate Nordic-Baltic network to combat social dumping and work-related crime has also been established. Going forward, this work will be strengthened by increasing the cooperation on supervision, the cooperation on joint information measures for countries that send and receive migrant workers, and the coordination of initiatives and participation in European arenas.