

## Summary Table of Peer Country Comments

	Situation in the peer country relative to the host country	Assessment of the policy measure	Assessment of success factors and transferability	Questions to the host country
Czech Republic	<ul style="list-style-type: none"> <li>▪ Although work-related crime and social fraud represent a serious problem in the Czech Republic, which is similar to the host country, the roots and the solutions differ.</li> <li>▪ The Czech Republic underwent a transformation from a socialist to a market economy which marked the development of its labour market.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cross-agency cooperation aimed at fighting work-related crimes and social fraud can meet many economic and political obstacles in the Czech Republic.</li> <li>▪ The main reason for the above issue is the Communist legacy with its strict control over each and every citizen by the State and the close cooperation of the state institutions.</li> <li>▪ Cooperation between agencies and institutions in the Czech Republic works on the interpersonal “know-your-colleague” approach.</li> </ul>	<ul style="list-style-type: none"> <li>▪ In spite of some issues, the Czech Republic can boast some examples of successful cooperation across institutions and agencies.</li> <li>▪ One of the examples is DONEZ registration system built on the cooperation with CzechPoint, an online database outlet offered by the Czech Post.</li> <li>▪ Another example is the Committee for fighting the illegal employment of foreigners comprised of the relevant stakeholders and policy-makers (MOPNZC).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Is the joint cooperation between public agencies in fighting against illegal activities, work-related crime and fraud country-specific and predetermined by the national history, pride and belief in the state authorities? If so, how can the ice be broken?</li> <li>▪ How can the political rivalry be cast aside in the name of the efficient intra-agency cooperation, exchange of information and reaching the political consensus over the pending tasks related to work-related crime and social fraud?</li> <li>▪ How can you motivate various state agencies, ministries and organisations (as well as non-governmental organisations) to join the cooperation in tackling undeclared work and fraud?</li> <li>▪ What is the role of mass media in the fight of illegal work and social fraud? Can mass media be helpful in changing the public opinion and political will and how?</li> <li>▪ Can joint operation groups between public agencies be effectively established in the post-Communist countries, where the citizens still fear the total control of the state that existed during</li> </ul>

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				<p>socialism?</p> <ul style="list-style-type: none"> <li>Are there differences between the approach of public agencies to both their agenda and their cooperation in the “old” and the “new” Member States?</li> </ul>
Cyprus	<ul style="list-style-type: none"> <li>Undeclared work in Cyprus appears to be more widespread than in Norway, but the sectors which undeclared work is mostly found are similar. Inspections have found that the group most frequently practicing undeclared work are EU nationals rather than third country nationals, but it seems that there has been a rising trend and an increase in the numbers of Cypriot undeclared workers, who come from different walks of life but mostly younger and older workers. There are also some third country nationals and irregular migrants. Similar trends may be found in Norway, but there are perhaps specificities for each.</li> <li>Unlike Norway in Cyprus most of the undeclared work affects employees rather than self-employed persons. This is a significant difference that changes the scope and approaches of policy measures</li> </ul>	<ul style="list-style-type: none"> <li>The Norwegian policy is based on promoting a multi-disciplinary and cross-agency cooperation at a local, regional and national level. Such an approach would be most welcome in Cyprus, but taking into account the contextual differences. Policy measures in Norway and Cyprus have a number similarities (rather small in population, strong tripartite systems and labour organisations) but also important local and national difference (economic context, administrative, legal system, social and cultural and labour traditions etc.). Administratively, the success of the policy measures both rely on coordination and cooperation of various Governmental departments and approaches, as well as public support to be effective. There have been some initial successes in setting out the policy goals for administrative purposes. There are short-term successes in making the statement clear for the employers,</li> </ul>	<ul style="list-style-type: none"> <li>A key factor is political will to genuinely engage and learn from the exchange of experience in a manner that creatively adapts the policy to the Cypriot context of policy-making.</li> <li>Another factor relates to way policy-makers, social partners and the Cypriot public understand and are determined to combat undeclared work.</li> <li>Finally, a key factor is way in which undeclared work is related to the rather large informal economy in Cyprus. This affects the transferability of policy measure.</li> </ul>	<ul style="list-style-type: none"> <li>How has the economic crisis affected the economy, what sectors and how has this impacted on undeclared work?</li> <li>Why is there such an emphasis on the criminal/penal aspect?</li> <li>Has there been any debate or ideas about alternative approaches to the ones proposed?</li> <li>Are there any incentive schemes for workers, particularly vulnerable workers to report to authorities in return for support protection, or if irregular migrants' regularisation?</li> </ul>

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	<p>to be adopted.</p> <ul style="list-style-type: none"> <li>▪ The economic crisis hit Cyprus very hard and there seems to have been a rise in undeclared work connected to this situation; it may be possible that similar patterns are noticed within Norway, but Norway was not so badly affected by the economic crisis. Moreover, we have to take into account the specificities of the sectors affected by the economic crisis, such as construction in Cyprus, which has always had a more serious problem with undeclared work. Now the Cypriot economy is beginning to grow again; however, this is at a lower wage level, a higher number of precarious and flexible jobs and a weaker labour movement. Maintaining labour standards and a decent work agenda in this context is a challenge for all. Moreover, the booming hotel and restaurant industry, which is now the main economic driver of the country is reliant on EU mobile workers from other EU, who are according to the Labour Ministry officials most prone to</li> </ul>	<p>employees and public to understand that the administration means business in combating undeclared work. Cyprus has seen an additional 3000 registration of workers who have been previously undeclared; as a short-term measure this has been a success.</p> <ul style="list-style-type: none"> <li>▪ There are however policy measures that require a long-term strategy. Their success lies in terms of successfully combating this problem in recognising that this is primarily socioeconomic rather than a penal problem.</li> <li>▪ The main problem is that policy-makers when attempting to fix matters rely essentially on administrative and policing-type of measures rather than attempting to address the root causes of the problem. The main long-term goal is to shift attitudes and options by changing the 'norms'. This is a rather long-term policy goal. However this approach is premised on a rather outdated static sociological paradigm of societies in need of equilibrium rather than reading them as a complex, mobile and dynamic processes.</li> </ul>		

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	undeclared work.			
<b>Ireland</b>	<ul style="list-style-type: none"> <li>▪ No legal nor standard policy definition of undeclared work.</li> <li>▪ Phenomenon generally understood as and corresponds with EU definition.</li> <li>▪ UDW one feature of hidden economy activity.</li> <li>▪ One estimate is that UDW accounts for €14bn of GDP, at middle to low end of EU scale.</li> <li>▪ Inter-agency cooperation a central feature of the policy response.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The taxation, social welfare and labour inspectorate agencies and authorities the most centrally active and responsible for addressing hidden economy activity and work-related crime.</li> <li>▪ Education, prevention, deterrence, detection, control, recovery/resolution each part of the policies of agencies.</li> <li>▪ National structures and fora in place, and in cases involve social partners as well as ministries and agencies.</li> <li>▪ National frameworks important, but local and operational approaches, informal arrangements, professional relationships, trust and flexibility are all effective tools in the co-operative effort.</li> <li>▪ Challenges relate to the hierarchical structure of agencies, their primary roles and resources, a need for legislative reform in places, and protectionist cultures regarding data</li> </ul>	<ul style="list-style-type: none"> <li>▪ The three success factors in the host country (strategic foundation, information exchange, and local autonomy and flexibility) are well established and probably equally important causes of success in Ireland.</li> <li>▪ Specific features of Irish legislation support effective data sharing.</li> <li>▪ Joint (cross-agency) training is a regular feature of co-operative efforts.</li> <li>▪ Use of Memoranda of Understanding between agencies provides a clear framework and basis for formal and informal collaboration and mutual support.</li> <li>▪ Specific forms of co-ordinated action take place, involving several or at times a multiplicity of agencies, depending on the action and context.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Work-related crime is reported as having different characteristics in different parts of the country. How do geographical issues influence both the problem and the co-operative response?</li> <li>▪ The report suggests that large and complex cases have increased the political salience of work-related crime and its priority policy status. Is it always specific cases of abuses that have generated political attention and a momentum for policy action, or has focus been generated from other sources (e.g. research, campaigns, knowledge of the costs, etc.)?</li> <li>▪ Collaborative units in the host country are described as "co-located". What form does this "co-location" take in reality?</li> <li>▪ The paper suggests cooperative efforts are in an early phase in the host country. Is this because the problem has intensified, or that cooperation in addressing it has only recently been emphasised?</li> </ul>
<b>Lithuania</b>	<ul style="list-style-type: none"> <li>▪ Concept of work-related crime in Lithuania is not used, however two related definitions – illegal</li> </ul>	<ul style="list-style-type: none"> <li>▪ The main joint activities, implemented together by the all public institutions engaged in UDW control, are joint</li> </ul>	<ul style="list-style-type: none"> <li>▪ Necessity of cross-agency cooperation in Lithuania is understood at all levels, however as only 15% of all recently</li> </ul>	<ul style="list-style-type: none"> <li>▪ What share (%) of UDW control in Norway is performed through the joint/coordinated activities?</li> </ul>

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	<p>work and undeclared work – are defined in the national legislation.</p> <ul style="list-style-type: none"> <li>▪ The main sector where illegal/undeclared work is found in Lithuania is the construction sector; violations of work and rest time accounts for more than 70% of irregularities detected.</li> <li>▪ In Lithuania, UDW control functions are delivered by five public institutions, however most of inspections are carried out and most infringements are identified by the State Labour Inspectorate (the main coordinating institution) and the State Tax Inspection.</li> <li>▪ Since 2001 there is a central coordination group operating in Lithuania for the analysis and assessment of conditions of UDW and its control and 10 regional coordination groups for the control of UDW at the regional (county) level.</li> </ul>	<p>inspections of UDW. About 15% of all UDW controls carried out by the SLI are done through the joint/coordinated activities.</p> <ul style="list-style-type: none"> <li>▪ Same as in Norway, depending on the particular case joint activities/inspections of UDW might be implemented in some particular regions or sectors.</li> <li>▪ Coordinated/joint activities are more targeted and efficient: during joint inspections more UDW cases are identified, comparing to the inspections conducted solely by the SLI.</li> <li>▪ Same like in Norway, the main challenges of the joint activities are related to the information exchange, implementation of joint operations and preliminary coordination of the joint activities.</li> </ul>	<p>conducted inspections were done through joint/coordinated activities we may presume that cross-agency cooperation is still not sufficiently prioritised in Lithuania.</p> <ul style="list-style-type: none"> <li>▪ Though all institutions performing joint/coordinated activities of UDW control regularly exchange relevant information, there is still a lack of both comprehensive internal and external information databases, easily accessible for representatives of all cooperating institutions.</li> <li>▪ In order to handle changing nature of UDW the SLI has been developing cooperation activities with new institutions at the both – national (Migration Department, State Border Guard Service) and international (Poland, Norway, Latvia, Estonia) levels.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Which activities of the UDW control in Norway are performed by individual and which – by common activities of the responsible institutions?</li> <li>▪ How much time on average is it spent on the preparation for the joint activities?</li> <li>▪ Do social partners participate in the work related crime/UDW prevention and control? What role do they play?</li> </ul>
Romania	<ul style="list-style-type: none"> <li>▪ Romania is estimated as the second largest shadow economy in the EU-28, estimated to 27.6% of the GDP in 2016.</li> <li>▪ The percent of people working in an undeclared way in Romania (3%) is slightly below the East-Central Europe mean of 4.22%.</li> </ul>	<ul style="list-style-type: none"> <li>▪ In Romania, the main institutions tackling undeclared work are the Labour Inspection, The National Agency for Fiscal Administration and the General Inspectorate for Immigration.</li> <li>▪ Changes to the Labour Code were applied in August 2017 to define the undeclared work and to extend the</li> </ul>	<ul style="list-style-type: none"> <li>▪ The joint teams and controls are undertaken on rather a rare basis. There is a lack of a strategic holistic approach.</li> <li>▪ Different types of joint actions and plans have been undertaken between agencies in order to tackle undeclared work based on specific protocols (i.e. Joint thematic campaign in bakery and</li> </ul>	<ul style="list-style-type: none"> <li>▪ Was there any instance of undeclared work where a certain law infringement could be classified under the jurisprudence of more than one agency? If so, how the decision of the course of action was taken in order to avoid any potential conflict between the agencies?</li> </ul>

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	<ul style="list-style-type: none"> <li>▪ The percent of formal employees receiving envelope wages in Romania (7%) is more than double than the EU-28 mean (3%).</li> <li>▪ Romania has a higher prevalence of disguised employment than the European mean of 0.9%, estimated at 1.4%.</li> <li>▪ Currently, the organization of the fight against undeclared work (in terms of both strategy and operations) is fragmented across a range of ministries, departments, and agencies.</li> </ul>	<p>types of covered undeclared work.</p> <ul style="list-style-type: none"> <li>▪ Changes to the Fiscal Code which reduce the incentives of disguised self-employment (by reducing the tax due gap between employment and self-employment) as well as a tool to define whether an activity is dependent or not were introduced in 2015 and 2016.</li> <li>▪ Specific protocols of cooperation exist between agencies involved in tackling undeclared work.</li> </ul>	<p>cereal industry, CRONOS Operation for fighting undeclared and under-declared work, the 'Cooperation Operative Plan for detecting illegal foreign workers and combating undeclared work of foreigners'). These cross-agency actions create good premises for implementing a national strategy for tackling undeclared work.</p> <ul style="list-style-type: none"> <li>▪ There is a lack of full data sharing across government agencies and inter-operability of databases.</li> </ul>	<ul style="list-style-type: none"> <li>▪ What is the role of social partners in the strategic plan to fight the work-related crimes and social fraud? Are they actively involved? (i.e., an active role in detecting undeclared work, providing tip-offs).</li> <li>▪ Did the strategic plan lead to any changes in the key performance indicators of the four agencies (the Labour Inspection Authority, the Tax Administration, the Police and the Welfare Administration's control departments)?</li> </ul>
Spain	<ul style="list-style-type: none"> <li>▪ There is no legal definition of undeclared work in Spain, which is defined de facto as the payment or reception of a monetary remuneration without declaring it to the Treasury, or without making the compulsory registration and social security payments.</li> <li>▪ As observed in Norway, there is a clear sectoral concentration of undeclared work. Also, there is not a consensus on the estimated scale of undeclared work in both countries and the available estimates differ widely.</li> <li>▪ Cooperation between the different authorities involved has</li> </ul>	<ul style="list-style-type: none"> <li>▪ In Spain undeclared work involves two frauds, one in terms of social security contributions and another in terms of taxes. Three main agencies in these areas are involved in tackling this phenomenon.</li> <li>▪ There has been constant cooperation between the agencies involved, at least since 2005, which has been reinforced periodically reinforced.</li> <li>▪ There has been a strong reinforcement of the Spanish coordination approach to tackle undeclared work since 2012, with the approval of the 2012 Plan to Fight Irregular Work and Social Security Fraud and the Law 23/2015 on the Organization of the Labour and Social</li> </ul>	<ul style="list-style-type: none"> <li>▪ Spain has an advanced position regarding cooperation between different authorities to tackling undeclared work.</li> <li>▪ The strategic bottom-down approach is consolidated in Spain across different governance and administrative levels, as well as across agency boundaries.</li> <li>▪ The operational level is also well established across the regional departments of the Central Administration together with the Autonomous Communities. The Norwegian experience in local cooperative units and co-located agencies would be of interest to</li> </ul>	<ul style="list-style-type: none"> <li>▪ How are the legislative and executive powers related to tackle undeclared work (planning and execution of labour inspection, sanctions) structured? How is the division of competences between central and regional/local authorities?</li> <li>▪ How is the information exchange of databases implemented? Is there any common database? Has each agency involved its own database? If so, is the requests and interchange of information fast and efficient?</li> <li>▪ Is there an ICT predictive tool to detect undeclared work? Is direct exchange of information between</li> </ul>

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	<p>been increasing in Spain. As in Norway, it has been strongly reinforced during last years.</p> <ul style="list-style-type: none"> <li>There is not much available evidence of effectiveness of the latest coordination measures in Spain, although involved institutions claim to be effective.</li> </ul>	<p>Security Inspectorate.</p> <ul style="list-style-type: none"> <li>Both regulations have reinforced the engagement of and cooperation with the Autonomous Communities and with social partners.</li> <li>The main current challenge for coordination is technological, mainly related to the analysis and treatment of big amounts of data from agencies' databases.</li> </ul>	<p>improve the cooperation.</p> <ul style="list-style-type: none"> <li>Regarding information exchange, a commitment across all involved units exists in Spain since at least 2005, and has been strengthened since 2012.</li> <li>Notwithstanding, performance measurement in the Spanish system could learn from the Norwegian experience.</li> </ul>	<p>the labour inspectorate and the other relevant authorities enabled and is this used for data mining?</p> <ul style="list-style-type: none"> <li>Are there specific coordination mechanisms in Norway (such as interinstitutional experts' working groups) to tackle new challenges in undeclared-work (such as e-commerce or collaborative economy?)</li> <li>How is cross border cooperation implemented?</li> </ul>
Sweden	<ul style="list-style-type: none"> <li>Difficulties to detect and quantify undeclared work.</li> <li>The problem is complex by nature and requires a holistic perspective</li> <li>The national regulative system, and the industrial relations system matter.</li> <li>Regulations include loopholes. Unhealthy competition is not always a matter of crime.</li> <li>Inter-agency cooperation is an important component in policy debates, and these debates relates to the question of in on trust, as well as how to find alternatives to "New Public Management" strategies.</li> </ul>	<ul style="list-style-type: none"> <li>History matters! The tradition of the Swedish model and "Orderliness in the Labour Market" constitute an important background for the Swedish Government's initiative on inter-agency cooperation against unfair competition.</li> <li>Earlier experiences of cooperation between agencies as well as between them and the social partners are an important resource to be used.</li> <li>All 13 relevant agencies would need a Government assignment to cooperate against undeclared work/unfair competition.</li> <li>Legislations on secrecy and unannounced supervision need to be revised.</li> <li>Cross-agency cooperation is also matter of trust.</li> </ul>	<ul style="list-style-type: none"> <li>The strategy of applying a holistic and multidisciplinary perspective on the problem of unhealthy competition and work-related crime used in both countries is of outmost importance for a successful development of struggle against and prevention of the problem.</li> <li>The connection in Sweden between the policy of inter-agency cooperation and the policy of governing by trust seems to be a fruitful strategy for tackling complex social problems, such as unhealthy competition.</li> <li>An important aim of the Swedish programme is to make it easier "to do the right thing". This must be of general interest, not least for the employers.</li> <li>Experiences from previous projects and programmes launched by the</li> </ul>	<ul style="list-style-type: none"> <li>Could you please describe the background to the Norwegian programme and the wider social context a little more? For example, how does the current programme against "work-related crime" relate to the former Norwegian government's way of approaching the problem?</li> <li>The current Government's strategy against work-related crime was elaborated in cooperation with the social partners (Lund, 2017). What can be said about the role of trade unions and employer associations in the process of implementing the strategy? The social partners are hardly visible in the Norwegian report.</li> <li>To what extent do the program deal with the problem of social</li> </ul>

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			<p>state, the municipalities or the social partners to combat and prevent unhealthy competition, undeclared work or social dumping, are important resources for the current process and should be used as much as possible.</p> <ul style="list-style-type: none"> <li>▪ In policy discussions as well as in the practical work, the contacts between the agencies and the social partners need to be developed and strengthened. After all, the main arena for the drama is the labour market.</li> </ul>	<p>dumping, which is a problem that not always implies “crime” in a narrower sense?</p> <ul style="list-style-type: none"> <li>▪ Could you explain a little more about how the issue of confidentiality is tackled in practice?</li> <li>▪ How do you work with issues on trust, compared to the Swedish programme for “Governance by Trust” (Tillitsbaserad styrning)?</li> </ul>