



European Platform
tackling undeclared work

Cooperation to conduct cross-border sanctions after joint or concerted inspections

Norway

	<p>Summary</p> <p>The Norwegian labour inspection authority has extended the remit of its cross-border partnerships with other Member States' labour inspectorates. The aim is to work in partnership to sanction undeclared or under-declared work of cross-border and posted workers in a range of economic sectors. Particular effort is placed on tackling work-related crime through establishing enhanced and reciprocal enforcement capabilities.</p>
<p>Title of the practice in original language</p>	<p><i>n/a</i></p>
<p>Name(s) of authorities/bodies/organisations involved</p>	<ul style="list-style-type: none"> • Norwegian Labour Inspection Authority; (<i>Arbeidstilsynet</i>). • Counterparts in other Member States (Bulgaria Estonia, Latvia, Lithuania, Poland and Romania).
<p>Sectors</p>	<p>Agriculture and fishing</p>
<p>Target groups</p>	<ul style="list-style-type: none"> • Labour inspectorates in cooperating countries (directly targeted); • Individuals and corporations involved in worker exploitation (directly targeted); • Workers and corporations involved in undeclared work (directly targeted); • Victims of exploitation in undeclared work (indirectly targeted).
<p>Purpose of measure</p>	<p>Deterrence: increase penalties</p>

	<p>Aims and objectives</p> <p>National grants awarded by the Norwegian Labour Inspectorate aim to facilitate sanctioning of non-compliant cross-border working arrangements. These relate, for example, to working hours, housing conditions, wages and taxation in the fishing, agricultural and construction sectors.</p>
<p>Background context</p>	<p>Norway has increasingly emphasised cooperation on cross-border evidence gathering and enforcement of sanctions</p>



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	<p>relating to undeclared work, building on recommendations at EU level. This is an extension to existing bilateral agreements between Norway and partner Member States under the Working Environment Act (2005)ⁱ. International cooperation has been a key focus area, highlighted in the 2015 Norwegian Strategy Against Work-related Crimeⁱⁱ;</p> <p>In addition to information sharing, Norwegian guidance on work-related crime has enabled this cross-border action, specifying a heightened need for cooperation specifically to increase the capability of national competent authorities to issue sanctions in a cross-border context.</p> <p>This action in Norway followed in response to estimates that tax evasion and social security fraud had contributed to national fiscal revenue losses equivalent to 0.5 % (approximately EUR 1.3 billion) of mainland Norway's GDP, in 2017.</p>
<p>Key objectives of the measure</p>	<p>General Objective:</p> <ul style="list-style-type: none"> • Sanction, deter and reduce instances of exploitative and undeclared cross-border work, involving workers posted to work in or from Norway and in corresponding sending countries; <p>Specific Objectives:</p> <ul style="list-style-type: none"> • Build and utilise cross-border partnerships to improve the ability to identify, track and investigate undeclared work occurring between Members States; • Use these relationships to ensure sanctions are effectively issued and enforced and are proportionate to the type of offence committed.
<p>Main activities</p>	<p>The initiative enables the Norwegian Labour Inspection Authority to build relationships with counterparts in other Member States, facilitating the process of collecting evidence and applying cross-border sanctions through the following main steps:</p> <ul style="list-style-type: none"> • The Norwegian Labour Inspection Authority uses the IMI system (Internal Market Information) and/or direct email to request information from the partner countries; • Partner Labour Inspectorates are asked to provide various types of data including information on the exploitation and undeclared activities of workers posted to or from Norway; and findings of inspection orders given locally to companies in which they have mutual interests; • The findings can be based either on information that the partner Labour Inspectorates already had or



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	<p>new evidence gathered through inspections made at the Norwegian authorities' request;</p> <ul style="list-style-type: none"> • Sanctions given in Norway are then issued based on robust evidence. This evidence can include information from the partner Labour Inspectorates but it can also be gathered by the Norwegian authorities through inspections conducted on behalf of the partner countries (implementing Directive 2014/67 / EU on the enforcement of Directive 96/71 / EC)ⁱⁱⁱ; • Partner authorities may be asked to issue and enforce payment of administrative fines within their own jurisdiction on behalf of Norwegian authorities (See § 18-11, Working Environment Act, 2017).
<p>Funding/organisational resources</p>	<ul style="list-style-type: none"> • The cooperation is funded by Norway Grants, which has simplified the process to set up joint, concerted or parallel inspections.

	<p>Outcomes</p> <p>Successful partnerships with other national competent authorities in Lithuania and Estonia have uncovered information of significant value, which has facilitated effective sanctioning both in Norway and in the partner countries.</p>
<p>Achievement of objectives</p>	<p>Specific examples of successful cooperation and cross-border sanctions include:</p> <ul style="list-style-type: none"> • Information sharing with Lithuanian authorities revealed a number of cases of exploitation of Lithuanian individuals posted to Norway to work in the fishing industry. In addition to identifying cross-border exploitation, cooperation between the Member States led to several sanctions related to undeclared work and occupational safety and health (OSH) being issued in Norway, requiring the companies to amend their wages and to start formally registering working hours. These cooperation efforts allowed sanctions to also be issued in Lithuania, creating a more joined-up sanctioning process to deter future exploitation and undeclared work. • Cooperation between Estonian and Norwegian authorities also led to increased sanctions being issued. One case involved an Estonian company found to be operating covertly out of Norway. The company had a hazardous working environment in addition to under-declaring financial information.



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	<p>Shared evidence led to significantly higher sanctions being issued. The increased sanctions were possible through access to more robust EU-level evidence, demonstrating the greater mutual reach and successful outcomes which cooperation on sanctioning efforts can bring to enforcement authorities in all countries involved.</p>
Lessons learnt and success factors	<ul style="list-style-type: none">• Effective cross-border cooperation can be crucial to effective tracing and sanctioning of complex unlawful activities, tackling undeclared work and reducing inspectorates' workloads in the future;• Funding (especially by national bodies) to support cross-border cooperation increases capacity to participate in coordinated work;• Appointing 'contact points' in each Member State facilitates cross-border collaboration;• Developing strategies for cross-border relationship building, such as running staff exchange programmes with other Member States, can increase the willingness and capability of staff to engage in effective cross-border cooperation.
Transferability	<ul style="list-style-type: none">• Familiarity with sharing information using the IMI system would facilitate the process of collecting evidence and issuing cross-border sanctions at a practical level;• Funding the activities is not always necessary but can contribute to enhanced cooperation and speed up the processes.

Further information	
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Useful sources and resources	<p>Norwegian Strategy Against Work-related Crime https://www.regjeringen.no/en/dokumenter/strategi-mot-arbeidslivskriminalitet/id2359493/</p>

ⁱ Working Environment Act 2005 (NOR). Retrieved from



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<https://www.arbeidstilsynet.no/en/laws-and-regulations/laws/the-working-environment-act/>

ⁱⁱEuropean Commission (July 2019). Bilateral Cooperation Agreement with Lithuania to tackle undeclared work. Practice Fiche. *European Platform for Tackling Undeclared Work*.

ⁱⁱⁱ Directive 2014/67/EU of the European Parliament and of the Council of 15 May 2014 on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System ('the IMI Regulation') Text with EEA relevance, OJ L 159, 28.5.2014, p. 11–31