

The Foreign Labour Inspection Unit: Capacity building of inspectors

Finland

	<p>Summary</p> <p>The Foreign Labour Inspection Unit's work focuses on verifying that foreign employees¹ have the right to work legally in Finland and that the terms and conditions of their employment agreements comply with the statutory minimum requirements of Finnish labour law. It aims to intervene early in cases of undeclared work and labour exploitation of third-country nationals and EU mobile workers.</p>
<p>Title of the practice in original language</p>	<p><i>Ulkomaisen työvoiman käytön valvontaan erikoistunut yksikkö</i></p>
<p>Name(s) of authorities/bodies/ organisations involved</p>	<ul style="list-style-type: none"> ▶ The Unit operates within the Regional State Administrative Agency for southern Finland/Division of Occupational Health and Safety (<i>Etelä-Suomen aluehallintovirasto/työsuojelun vastuualue</i>)
<p>Sectors</p>	<p>All</p>
<p>Target groups</p>	<ul style="list-style-type: none"> ▶ Third country nationals and EU mobile workers (directly targeted); ▶ Labour inspectors (indirectly targeted). Labour inspectors (directly targeted).
<p>Purpose of measure</p>	<p>Deterrence: improve detection</p>

	<p>Aims and objectives</p> <p>The aim of the Foreign Labour Inspector Unit is to tackle and prevent undeclared work and labour exploitation of third-country national and EU mobile workers by increasing the capacity of labour inspectors to carry out inspections.</p>
<p>Background context</p>	<ul style="list-style-type: none"> ▶ After EU enlargement in 2004 the Finnish labour market changed significantly. A new law on foreign workers' right to reside and work in Finland came into effect in 2004. ▶ This required labour inspectors to take on new tasks concerning foreign workers and resulted in the establishment of the Foreign



	<p>Labour Inspection Unit in 2004 and the creation of 25 new public posts for foreign labour inspectors in 2005, working throughout the whole country. The unit's work is ongoing.</p> <ul style="list-style-type: none"> ▶ The Unit operates within the Regional State Administrative Agency for southern Finland/Division of Occupational Health and Safety.
<p>Key objectives of the measure</p>	<p>General Objective:</p> <ul style="list-style-type: none"> ▶ To tackle and prevent undeclared work and labour exploitation of third-country nationals and EU mobile workers. <p>Specific Objectives:</p> <ul style="list-style-type: none"> ▶ To intervene early to identify where exploitation and undeclared work may be occurring; ▶ To build the capacity of labour inspectors to work in the area; ▶ To inform workers of their legal and social rights and obligations.
<p>Main activities</p>	<p>The main activities of the Foreign Labour Inspection Unit include the following:</p> <ul style="list-style-type: none"> ▶ Labour inspectors receive tips from the public and other authorities about possible incidences of labour exploitation and other illegal labour practices. ▶ These tips are then checked, for instance by comparing them with data from other authorities, such as the Finnish Immigration Services, which draw attention to suspicious permit applications. ▶ Once a tip is considered reliable, unannounced inspections are conducted. ▶ The inspectors use indicators to recognise labour exploitation, such as low wages, long working hours, uncertainty about the employer in subcontracting, contradictions between observations and employer's explanations and poor housing conditions. ▶ During the inspections, multi-lingual inspectors speak to the workers in their native language or use interview templates available in multiple languages or interpreters. ▶ Inspectors focus on recognising signs of labour exploitation, informing them of legal support mechanisms in order to build trust with the interviewees.



<p>Funding/organisational resources</p>	<ul style="list-style-type: none"> ▶ All the regional labour inspectorates are funded by the Finnish state’s annual budget. In that budget, all the labour inspector positions fall under the budget allocated to the Ministry of Social Affairs and Health and are then furthermore allocated to five regional labour inspectorates. ▶ In Finland, there are around 25 designated inspector positions dealing with foreign labour and with separate, pre-defined funding. However, in some regions (e.g., Southern Finland) additional funding may be allocated to the inspections of foreign labour outside of the separate funding.
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	<p>Outcomes</p> <p>The Foreign Labour Inspection Unit’s activities are specifically focused on foreign labour, enhancing its ability to carry out effective and successful inspection activities. The Unit consults with social partners and others to ensure its inspection activities are targeted effectively.</p>
<p>Achievement of objectives</p>	<ul style="list-style-type: none"> ▶ A formal evaluation of the Foreign Labour Inspection Unit has not been carried out recently. However, foreign colleagues visit inspection activities and provide feedback while the Unit also cooperates with social partners, discussing inspection results with them and seeking advice and guidance on how to target inspection activities. On some occasions inspection plans, for example, for the construction sector have been sent to the social partners for comment. How well inspection activities are targeted is continually reviewed. ▶ In 2020 the Unit conducted 343 inspections in Southern Finland which was an increase on 2019 due to the COVID-19 pandemic.ⁱⁱ ▶ The largest share of the inspections was carried out in the hotel and restaurant sector (30%) and in construction sector (27%). ▶ The number of tips related to foreign labour in Southern Finland increased by 15% compared to 2019. Most came from other authorities working with the employment of foreigners in Finland, with the construction sector accounting for most. ▶ 37% of workplaces inspected in Southern Finland had at least one foreign employee with no right to work in their current role. In 2019 this figure was 20%.



	<p>► The work of the Unit is largely effective in identifying foreign workers without the right to work in Finland or whose employers are not declaring them properly to authorities. The Unit has carried out successful related procedures involving the police and sanctions. However, challenges remain in identifying whether foreign workers' labour law conditions are in accordance with the minimum levels defined in generally binding collective agreements. Given the increase of suspected incidents in this area, more funding has now been allocated to the recruitment of inspectors with a focus on foreign labour.</p>
<p>Lessons learnt and success factors</p>	<p>Lessons learnt and success factors include the following:</p> <ul style="list-style-type: none"> ► In order to tackle the misuse of foreign labour, a key factor to success is to have inspectors focused specifically on these issues – otherwise the results are not that efficient; ► Proactive cooperation between authorities and a culture which enables foreign workers to bring cases of mistreatment forward; ► Wide and effective cross-border cooperation in posting situations.
<p>Transferability</p>	<p>For the practice to work in another country, labour inspectors need to have a wide competence, not only in OSH matters but also in evaluating work permit matters, labour law matters (e.g. salary, working hours) etc.</p>

<p>Further information</p>	
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<p>Useful sources and resources</p>	<p>Finish Occupational Safety and Health Administration</p> <p>https://www.tyosuojelu.fi/web/en/employment-relationship/foreign-employee</p> <p>Finnish Tax Administration</p>



	<p>https://www.vero.fi/en/grey-economy-crime/prevention/employers-and-contractors-obligations/</p> <p>For Foreign Labour Inspection results</p> <p>Employers and contractor's obligations - Harmaa talous & talousrikollisuus (vero.fi)</p>
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ⁱ The Foreign Labour Inspector Unit focuses on all foreign nationals in Finland including EU mobile workers and third-country nationals. For the purposes of the Unit's work, third-country nationals can be divided into three groups:

- ▶ Third-country nationals with the right to stay and work within the EU who are engaged in undeclared work;
- ▶ Regularly residing third-country nationals who do not have the right to access the labour market but who are working irregularly, or are in breach of the conditions of their work permit, or have the right to apply for a work permit but have not done so. An example would include students who work more hours than allowed by their residence permit;
- ▶ Third-country nationals residing irregularly in the EU including people who enter the host country illegally or have had their application for an international protection/legal migration status rejected, or whose residence permit, visa, or other permit to stay has ended or expired.

ⁱⁱ For more information see <https://www.vero.fi/en/grey-economy-crime/prevention/employers-and-contractors-obligations/>