




European Platform tackling undeclared work

Checklist for labour inspectors to detect bogus self-employment

Slovakia

	Summary <p>The checklist for labour inspectors to detect bogus self-employment was introduced in November 2019. The main goal is to guide labour inspectors in distinguishing dependent work from self-employment and to facilitate the identification of cases of abuses and bogus self-employment.</p>
Title of the practice in original language	<i>Výkaz hodnotenia – závislá práca / podnikanie</i>
Name(s) of authorities/bodies/organisations involved	National Labour Inspectorate of Slovakia ⁱ
Sectors	All
Target groups	<ul style="list-style-type: none"> • Labour inspectors (directly targeted); • Bogus self-employed (indirectly targeted).
Purpose of measure	Deterrence: improve detection

	Aims and objectives <p>The introduction of the checklist aims at supporting labour inspectors in identifying cases of bogus self-employment, and ultimately at reducing bogus self-employment in Slovakia.</p>
Background context	<p>The introduction of the checklist was among the initiatives adopted following the recommendations from a mutual assistance project (MAP) of the European Platform tackling undeclared work, assessing the activity of the National Labour Inspectorate.</p> <p>Bogus self-employment is a widespread issue in Slovakia. However, labour inspectors have tended to focus on forms of undeclared work that reflected a narrow definition (i.e. lack of an employment contract) which may have missed opportunities for detection.</p> <p>It can be difficult for labour inspectors to clearly distinguish certain types of self-employment and businesses with an employment relationship, as they can have many aspects in common. In this context, the introduction of the checklist</p>




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	guides the labour inspectors in identifying cases of bogus self-employment, by providing a list of criteria to clearly differentiate between the features of dependent work and independent work.
Key objectives of the measure	<p>General Objective:</p> <ul style="list-style-type: none"> • Reduce bogus self-employment in Slovakia. <p>Specific Objectives:</p> <ul style="list-style-type: none"> • Support labour inspectors in detecting cases of bogus self-employment; • Help labour inspectors to swiftly decide whether to investigate the case further.
Main activities	<p>The evaluation checklist includes 11 features that can help to distinguish dependent work from independent business activities.</p> <p>They are divided into five mandatory features, which are based on legislation and always need to be taken into consideration (attributes of dependent work) and six supporting features which are:</p> <ul style="list-style-type: none"> • Type of contract; • Who is the owner of the means of production; • Issuance of invoices; • Repetition of activities; • The arrangements related to occupational safety and health (OSH); • Responsibility for the result of the activities performed. <p>When using the checklist, labour inspectors indicate if each of the attributes on the list is present, partially (or probably) present or if its presence is excluded or cannot be objectively assessed. After the evaluation of all the attributes in the list, labour inspectors assess whether the case can be deemed as a case of bogus self-employment.</p>
Funding/organisational resources	<p>National funding.</p> <p>The development and implementation of the checklist were carried out within the regular work of the National Labour Inspectorate, which include the preparation of methodologies and guidelines for labour inspectors.</p>



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	<p>Outcomes</p> <p>As the practice has been introduced in November 2019, outcomes have not been delivered yet. In the future the evaluation of the checklist will be linked to the monitoring of the effectiveness of detection of undeclared work.</p>
<p>Achievement of objectives</p>	<p>Due to the very short period since the introduction of the checklist (November 2019) and with the suspension of several inspection activities due to the COVID-19 crisis, it is not possible to clearly identify the results and to assess whether the objectives were achieved. However, it is expected that greater clarity and consistency provided by the checklist will lead to an increase in the detection rate of bogus self-employment.</p> <p>A meeting within the National Labour Inspectorate for a preliminary evaluation of the use of the checklist will inform this process in the future. It will also be linked with the general mechanisms to monitor the effectiveness of detection of undeclared work.</p>
<p>Lessons learnt and success factors</p>	<p>Potential success factors of the checklist are the following:</p> <ul style="list-style-type: none"> • The checklist is a cost-free resource that improves the detection of bogus self-employment; • A positive attitude of the labour inspectors towards the introduction of the checklist and its integration in their regular work processes; <p>The main lessons learnt are the following:</p> <ul style="list-style-type: none"> • Cases of bogus self-employment are complex and can be found in a wide variety of types of business; • The provision of learning resources to the labour inspectors will help them to better understand how to use of the checklist.
<p>Transferability</p>	<p>Important preconditions to implement the practice are:</p> <ul style="list-style-type: none"> • Supporting legislation, clearly defining dependent work and infringements connected with bogus self-employment.

Further information	
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Useful sources and resources

- Website of the National Labour Inspectorate:
<https://www.ip.gov.sk/home/>
- Act No. 125/2006 Coll. on labour inspection and on amendment of the Act. No. 82/2005 Coll. on illegal work and illegal employment and on amendment of certain acts. Available at:
<https://www.slov-lex.sk/pravne-predpisy/SK/ZZ/2006/125/20190301>
- Act No. 82/2005 Coll. on illegal work and illegal employment and on amendment of certain acts. Available at:
<https://www.slov-lex.sk/pravne-predpisy/SK/ZZ/2005/82/20200101>
- Act No. 311/2001 Coll. Labour Code. Available at:
<https://www.slov-lex.sk/pravne-predpisy/SK/ZZ/2001/311/20200404>

ⁱ In the future the practice is expected to entail a collaboration or with the Social Insurance Agency and the Tax Agency.