



Joint inspections of undeclared work

Iceland

	<p>Summary</p> <p>One of the defined goals of Iceland's Multi-Authority Working Group on Crime and Social Dumping¹, established in 2018, was to formalise cooperation on joint inspections carried out by the labour authority and social partners on an ad-hoc basis where instances of undeclared work are uncovered.</p>
<p>Title of the practice in original language</p>	<p><i>Sameiginlegar eftirlitsheimsóknir í samstarfi við aðila vinnumarkaðarins</i></p>
<p>Name(s) of authorities/bodies/organisations involved</p>	<p>Multi-Authority Working Group on Crime and Social Dumping incl. :</p> <ul style="list-style-type: none"> ▶ Directorate of Labour (<i>Vinnumálastofnun</i>) ▶ The Labour Inspectorate (Administration of Occupational Safety and Health /AOSH (<i>Vinnueftirlitið</i>)) ▶ Tax and Customs Authority (<i>Skatturinn</i>) ▶ The Reykjavík Metropolitan Police (<i>Lögreglan á höfuðborgarsvæðinu</i>) <p>While the social partners (Icelandic Confederation of Labour, ASI, and the Confederation of Icelandic Employers, SA) are not members of the group, the group is mandated to collaborate closely with them and perform joint inspections with trade union inspectors.</p>
<p>Sectors</p>	<p>All</p>
<p>Target groups</p>	<ul style="list-style-type: none"> ▶ Employers engaged in undeclared work practices (directly targeted); ▶ Workers involved in undeclared work (indirectly targeted).
<p>Purpose of measure</p>	<p>Prevention</p>


	<p>Aims and objectives</p> <p>The aim of the joint inspections is to ensure that all work is both legal and declared. These joint inspections also serve to provide information to both employees and employers on their rights and obligations, as well as the resources available to them through the</p>
---	--



	trade unions in resolving remuneration issues, social and legal advice etc.
<p>Background context</p>	<ul style="list-style-type: none"> ▶ Undeclared work joint inspections have been applied on an ad-hoc basis since 2018, within the framework of the Multi-Authority Working Group on Crime and Social Dumping. They are specifically tasked with inspecting and regulating the posting of workers, temporary work agencies, the employment of third-country nationals, as well as monitoring unemployment benefit fraud. ▶ Whenever possible, joint inspections are carried out with trade unions especially when cases originate from trade union investigations of worker rights violations.
<p>Key objectives of the measure</p>	<p>General Objective:</p> <ul style="list-style-type: none"> ▶ To ensure all work is both legal and declared. <p>Specific Objectives:</p> <ul style="list-style-type: none"> ▶ To ensure employees and employers are provided with information on their rights and obligations as well as the resources available to them.
<p>Main activities</p>	<ul style="list-style-type: none"> ▶ Trade unions carry out their own independent investigations to inspect violation of the rights of all workers in Iceland.ⁱⁱ They have the right to obtain unaltered data on wages, workers' qualifications, and working conditions in cases referred to them. ▶ If trade unions uncover instances of undeclared work in the course of their investigations, they are legally obliged to report the matter to the appropriate authorities.ⁱⁱⁱ A full investigation is launched and carried out with trade unions wherever possible, especially when the case originates from investigations by trade unions. ▶ As part of the preparation for an onsite inspection, an inspection briefing is held with the authorities and/or social partners involved, where clear divisions of competences onsite and concrete actions are established. ▶ Onsite, the government inspectors (from The Directorate of Labour, Labour Inspectorate, and Tax and Customs) aim to identify the infractions specific to undeclared work and to engage with key personnel, both workers and employers. ▶ Trade union inspectors provide an additional perspective onsite to government inspectors from which further insights on the



	<p>situation may be gained. For example, trade union inspectors are responsible for ensuring compliance to collective bargaining agreements for employees i.e., dealing with cases that do not fall under the auspices of The Directorate of Labour or self-employed individuals. Trade union inspectors engage with workers on their rights under the relevant collective bargaining agreements and current labour legislation during onsite inspections, informing them of the resources available through the trade unions for assistance in resolving remuneration issues, social and legal advisors etc.</p> <ul style="list-style-type: none"> ▶ Outcomes and information are shared after the inspection within legal competences, and next steps are outlined. For example, all public authorities and social partners are legally required to inform The Directorate of Labour of possible infractions of the law pertaining to their surveillance.
<p>Funding/organisational resources</p>	<p>No funding was attached to the 2018 establishment of the Multi-Authority Working Group. Each authority funds/resources their own participation in the initiative and in the joint inspections.</p>

	<p>Outcomes</p> <p>Joint inspections are largely considered to be successful. Collaboration by relevant government authorities and social partners on ad-hoc investigations concerning undeclared work provides a more complete picture of the situation being investigated and is ongoing and fruitful. It is hoped that further funds and resources will be made available to make it a more permanent feature.</p>
<p>Achievement of objectives</p>	<ul style="list-style-type: none"> ▶ While an evaluation of joint inspections has yet to be commissioned (responsibility of the Ministry of Social Affairs), and data on joint actions has not been collected and published, the measure is generally considered to be somewhat successful. ▶ Joint inspections are driven by ad-hoc based activities and open and frank communication between the relevant authorities and social partners. It is therefore the opinion of The Directorate of Labour that joint inspection outcomes are well rounded and provide better information than in inspections conducted solely by the directorate - including joint inspections with other authorities and with social partners. ▶ All participants have sought to increase their collaboration and wish to dedicate more resources to the initiative.



	<p>► The formal collaboration of the Multi-Authority Working Group is still in development. Funding will be needed for authorities to dedicate personnel, time, and analysts if it is to become permanent.¹ There are plans to establish a formal steering group to which the Multi-Authority Working Group reports. This steering group would be established at a ministry level with all parties mentioned above represented along with other stakeholders and relevant ministers. At the time of writing, legislation is still pending (December 2021). In the meantime, the emphasis has been to prioritise ad-hoc inspections and bottom-up collaboration.</p>
Lessons learnt and success factors	<p>To achieve the best outcomes for joint inspections, clear lines of communication, boundaries, and limitations need to be established. Trade unions have a valuable perspective on newly developed trends in undeclared work and labour market infractions. Ongoing collaboration between the organisations is crucial to prevent and deter undeclared work.</p>
Transferability	<p>Communication with counterparts is crucial and means that joint inspections or other forms of collaboration are more likely to take place. This also improves the exchange of practice knowledge and improves mutual understanding. Cooperation must be implemented on an operational level by engaging those responsible for coordinating and planning inspections.</p>

Further information

Contact	<p>Edda Bergsveinsdóttir, Department Director, Foreign Labour and Inspections, Directorate of Labour</p> <p>Email: atvinnurettindi@vmst.is</p>
Useful sources and resources	<p>Directorate of Labour website:</p> <p>vinnumalastofnun.is</p> <p>Information on rights and obligations of foreign service companies and posted employees:</p> <p>http://posting.is/</p> <p>Administration of Occupational Safety and Health (AOSH) website:</p> <p>https://vinnueftirlitid.is/</p>



ⁱ The Working Group consists of members from the Directorate of Labour, the Administration of Occupational Safety and Health, Iceland Revenue and Customs, who are responsible for the imposition of sanctions at an administrative level, the Police who handle criminal cases, and social partners. Source: Nordic-Baltic Undeclared Work Project: Country Report by Tania Ellifson, for the Directorate of Labour, available at <https://www.vinnumalastofnun.is/media/3048/appendix-4-iceland.pdf>

ⁱⁱ Public employees fall outside of the scope of these inspections.

ⁱⁱⁱ The social partners are free to direct their investigation reports to the authority they deem most relevant to the case at hand, often they are submitted jointly to more than one authority if the instance falls under the scope of more than one authority. If the case is not relevant to the authority that receives the notification, an authority is required under domestic legislation to forward the case to the appropriate authority - this can be done by utilising the Multi-Authority Working Group.