





Operational models to combat undeclared work through joint action and cooperation

Finland

	<p>Summary</p> <p>In 2020 the Finnish Government adopted a strategy and an action plan for tackling the grey economy and economic crime for 2020–2023ⁱ, which focuses on prevention, more effective access to information, and collaboration between relevant stakeholders. The action plan includes over 20 projects and 50 concrete measures, which will be carried out in cooperation with different ministries, agencies, and social partners.</p>
<p>Title of the practice in original language</p>	<p>N/A</p>
<p>Name(s) of authorities/bodies/organisations involved</p>	<p>Each ministry is responsible for implementing individual projects within its area of expertise or the remit of its administrative branch. In addition to cooperation between authorities, the work to tackle the grey economy and economic crime is also supported by the input of social partners representing both companies and employees.</p>
<p>Sectors</p>	<p>All</p>
<p>Target groups</p>	<ul style="list-style-type: none"> ▶ National authorities, government agencies, and stakeholders; ▶ Social partners, Workers, employers, and citizens (indirectly targeted).
<p>Purpose of measure</p>	<p>Prevention</p>

	<p>Aims and objectives</p> <p>One of the main objectives of the measure is to intensify cooperation between the authorities and make it more effective in combating undeclared work. To achieve this goal, an operational model has been developed which can be used by authorities across the country.</p>
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Background context

The amount of undeclared work in Finland has been on the rise over the past two years. A survey of authorities in spring 2019 indicated that 82% of the respondents saw grey economy activities as being widespread.ⁱⁱ The increase is indicated in, for instance, a growing number of reports to the industrial safety authorities as well as the inspection observations collected by authorities at construction sites. There has been an increased incidence of people without a right to work being identified during inspections than previously.ⁱⁱⁱ

On 11 June 2020 the Finnish Government adopted a strategy and an action plan for tackling the grey economy and economic crime for 2020–2023. This initiative builds on earlier strategies aimed at tackling the grey economy and economic crime, such as the Strategy for Tackling the Shadow Economy and Economic Crime 2016–2020.^{iv}

Key objectives of the measure


General Objectives:

- ▶ To prevent grey economy activities and economic crime;
- ▶ To carry out various projects promoting efforts to combat the grey economy listed in the Government Programme.
- ▶ To promote healthy competition between companies and a fair labour market;
- ▶ To ensure authorities have the ability to combat grey economy and economic crime; and
- ▶ To develop measures to combat the grey economy and economic crime and improve cooperation between authorities.^v

Main activities

- ▶ **Standardising operating models of cooperation between multiple authorities:** one of the main measures developed to support Objective 4 of the strategy (*developing measures to combat the grey economy and economic crime and improve cooperation between authorities*), aims to find new ways of enhancing the effectiveness of activities of the authorities through joint action, for example, by standardising operating models of cooperation between multiple authorities. This model was piloted previously. The aim is to implement this model in practice during 2022.
- ▶ **Harmonising and consolidating identical operating practices across Finland:** the Strategy also aims to develop cooperation between multiple authorities by modelling plan templates for different sectors, while at the same time

	<p>harmonising and consolidating identical operating practices applied in the cooperation between the authorities in different parts of Finland.</p> <ul style="list-style-type: none"> ▶ Developing a joint risk-based target-selection method: the Strategy also planned to develop a joint risk-based target-selection method, examining the legal provisions on information-sharing between the authorities. In multi-authority cooperation, the authorities combine information in their possession, while joint inspections help them to take a broader view of matters and enhance their capability to tackle shortcomings. ▶ Enhancing cooperation with social partners: cooperation with social partners is also essential in combat the grey economy and economic crime. The successful cooperation between authorities and social partners in Finland is enhanced by a long-standing tradition of working closely to solve problems and a high level of trust. There are around 160 universally binding collective agreements for which the interpretation belongs to the contracting parties of the collective agreement. ▶ Enhanced cooperation between national and EU authorities: this involves working with the European platform tackling undeclared work and the national cooperation forum to reduce undeclared work, to promote the activities of the European Labour Authority, and to obtain information on viable and effective operating models.
<p>Funding/organisational resources</p>	<ul style="list-style-type: none"> ▶ The Finnish Government will broaden and step up its countermeasures to the grey economy with a comprehensive programme backed by additional funding of EUR 20 million, allocated over the electoral term; ▶ EUR 200 000 will be reserved for commissioning impact assessments of the actions contained in the Strategy and the Action Plan.^{vi}

	<p>Outcomes</p> <p>One of the most effective means of tackling the grey economy and economic crime is investing in coordinated multi-authority cooperation, in which the authorities combine their information for the purpose of risk-based targeting and conduct of audits, using harmonised practices.</p>
<p>Achievement of objectives</p>	<p>Outcomes of the Strategy include the following:</p>



	<ul style="list-style-type: none"> ▶ The operational model for cooperation and joint inspections leads to the following: <ul style="list-style-type: none"> ▷ better targeted joint inspections; ▷ regional-specific aspects being taken into consideration; ▷ a more effective and uniform basis for supervisory work within the labour authority /inspectorates. ▶ Developing cooperation between multiple authorities by modelling plan templates for different sectors, and harmonising and consolidating operating practices applied in the cooperation between the authorities in different parts of Finland; ▶ Clarifying competence issues concerning individual authorities for operational cooperation; ▶ Improving multi-authority cooperation by combining information that authorities have, while joint inspections help them to take a broader view of matters and enhance their capability to tackle shortcomings;
<p>Lessons learnt and success factors</p>	<ul style="list-style-type: none"> ▶ Sufficient resources for the authorities' operational work must be secured and allocated appropriately; ▶ Operating models based on a shared situation awareness must also be created for cooperation between multiple authorities. ▶ The exchange of information between authorities is very important in the fight against undeclared work. This needs to be enabled by appropriate legislation. Furthermore, there is still a great deal to be learnt in relation to compiling data from different authorities for conducting meta-analysis as well as the use of meta-analysis. This kind of work would be beneficial in the strategic planning and authorities' supervisory work.
<p>Transferability</p>	<p>To implement a similar strategy and action plan, political support is paramount. Adequate resources and a high level of trust and cooperation between authorities, agencies, and social partners are also essential.</p>

Further information

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Useful sources and resources	Government resolution on a strategy and an action plan for tackling the grey economy and economic crime for 2020–2023 (EN)

ⁱ *Government resolution on a strategy and an action plan for tackling the grey economy and economic crime for 2020–2023*, available at

<https://valtioneuvosto.fi/documents/1410877/16402203/Government+Resolution+on+a+Strategy+and+an+Action+Plan+for+Tackling+the+Grey+Economy+and+Economic+Crime+for+2020%E2%80%932023/ba2282cd-449f-f2de-a449-9c8d15b0de36/Government+Resolution+on+a+Strategy+and+an+Action+Plan+for+Tackling+the+Grey+Economy+and+Economic+Crime+for+2020%E2%80%932023.pdf>

ⁱⁱ Ibid

ⁱⁱⁱ For information on the scale of the grey economy, the efforts to combat it, and the phenomena associated with it, see www.grey-economy-crime.fi

^{iv} Good practice fiche on ‘*Special Action Plan as part of the National Strategy for tackling the grey economy and economic crime for 2016-2020*’, available at:

https://www.ela.europa.eu/sites/default/files/2021-09/FI%20-%20Grey%20Economy%20Programme_0.pdf

^v *Government resolution on a strategy and an action plan for tackling the grey economy and economic crime for 2020–2023*, available at

<https://valtioneuvosto.fi/documents/1410877/16402203/Government+Resolution+on+a+Strategy+and+an+Action+Plan+for+Tackling+the+Grey+Economy+and+Economic+Crime+for+2020%E2%80%932023/ba2282cd-449f-f2de-a449-9c8d15b0de36/Government+Resolution+on+a+Strategy+and+an+Action+Plan+for+Tackling+the+Grey+Economy+and+Economic+Crime+for+2020%E2%80%932023.pdf>

^{vi} Ibid