



# BusinessGuide, Norway

<b>Title of the policy or measure (in English)</b>	Specialist teams working with the self-employed
• Case study/good practice name	BusinessGuide( <i>Næringsguide</i> ), Norway
• Country	Norway
• Sectors	All sectors
• Target groups	Foreign self-employed/bogus self-employed
• Type of measure	Prevention
• Short sentence summarising the measure	<p>In order to reduce the scope for criminal activity, the Norwegian Tax Administration (NTA) makes it as difficult as possible for criminals to recruit workers by identifying their behaviour and following up every new self-employment registered in Norway. To achieve this, special teams have been established, with three goals:</p> <ol style="list-style-type: none"><li>1. Reduce scope for criminal activity</li><li>2. Assist, guide and simplify for new enterprises</li><li>3. Get to know this part of the business world better</li></ol>
<b>Background</b>	
• Background context driving the implementation of the measure	<p>In February 2015 the Norwegian Prime Minister implemented a new strategy to prevent and combat labour market crime. Four government agencies were commissioned together to reduce the risk. The NTA is one of them. The NTA has three approaches in its strategy that are intended to complement each other:</p> <ul style="list-style-type: none"><li>❖ Focus on the person/company behind the crime (financer/kingpin) and money-launderer;</li><li>❖ Focus on mobilisation and co-operation with law-abiding companies (employers and contractor companies);</li><li>❖ Focus on foreign labour and companies owned by a foreign person.</li></ul> <p>When foreign workers or companies arrive in Norway, it is impossible for the NTA to know how that individual will behave. Some are pushed into forced labour, some want to make a lot of money as quickly as possible and some want to live in Norway, work and pay their taxes. But it is not possible to identify which workers/ companies fall into each group. BusinessGuide is a method to identify the individuals' behaviour and implement the right measure in response.</p>

<ul style="list-style-type: none"> <li>When was the measure implemented? (including start date and end date/ongoing)</li> </ul>	The pilot started January 2017 and is ongoing. The pilot will be evaluated in autumn 2018.
<ul style="list-style-type: none"> <li>Names(s) of authorities/bodies/organisations involved</li> </ul>	The Norwegian Tax Administration
<ul style="list-style-type: none"> <li>Scope of the measure (a pilot project, nationwide, regional wide)</li> </ul>	The practice is a pilot project ongoing in 49 municipalities, including Oslo (the capital.) It is planned to implement this as a national reform in January 2019.
<ul style="list-style-type: none"> <li>Type of (policy) measure</li> </ul>	Establishment of dedicated teams to address foreign self-employed/bogus self-employed. A new methodology has been developed and a process has been established.
<ul style="list-style-type: none"> <li>Key objectives of the measure</li> </ul>	<p>The main objective of this pilot initiative is to reduce scope for criminal activity.</p> <p>The specific objectives are as follows:</p> <ol style="list-style-type: none"> <li>1. Identify behavior</li> <li>2. Detect and follow up non-compliant enterprises. Assist, guide and simplify for new enterprises</li> <li>3. Get to know this part of the business world better – be close! Learn more about the role of the self-employed in criminal networks.</li> </ol>
<b>Specific measure</b>	
<ul style="list-style-type: none"> <li>Description of how the measure operates in practice</li> </ul>	<p>As soon as a new self-employment in the construction sector is registered in the Register of Business Enterprises in Norway, the BusinessGuide contacts the holder. BusinessGuides are teams with complementary competences such as control and guidance. The team's main task is to identify or define the behaviour of the self-employed and choose the best measure to tackle it. Those who are identified as criminals are followed up by other parts of the organisation, specialised in labour market crime.</p> <p>Those who are identified as more or less compliant are followed up the next seven months to increase their compliance and their desire to stay away from the criminals. The guidance provided in the seven-month period is an established programme, offered by the same contacts in the national tax administration.</p> <p>What is new about this measure is that it not only offers guidance to the willing, but follow-up of all new registered enterprises with foreign holders.</p> <p>The benefit is that foreign self-employed learn how to do things right from start in Norway, and will build trust in the tax system and the Tax administration.</p>
<ul style="list-style-type: none"> <li>Which groups are targeted by the measure?</li> </ul>	Foreign self-employed Bogus self-employed
<ul style="list-style-type: none"> <li>What resources and other relevant organisational aspects are involved?</li> </ul>	Resources: 12 full-time employees (FTEs) as BusinessGuides 0.4 FTE to analyse compliance effects (see below)

	<p>1 FTE to manage the initiative Some (limited) resources to develop a <i>system for Business Guides</i>.</p> <p>The steering group for tackling economic crime is supervising the progress of the pilot. It also evaluates the need for changes and reports to the Ministry of Finance.</p>
<ul style="list-style-type: none"> <li>What are the source(s) of funding?</li> </ul>	National funding – The Norwegian Tax Administration
<b>Evaluation and outcome</b>	
<ul style="list-style-type: none"> <li>Has the measure achieved its objectives?</li> </ul>	<p>A large number of cases of bogus self-employment (BSE) are detected and followed up. Some indicators show improvement in compliance. There are signals that the criminal market is being affected. The tax administration gets a better insight into a complicated criminal market and what role the self-employed play in the criminal networks. By getting closer to the criminal networks, the tax administration can make it difficult to use undeclared work.</p>
<ul style="list-style-type: none"> <li>Assessment method (including indicators used to measure its impact), and the outputs and outcomes achieved</li> </ul>	<p>This is still a pilot initiative. Evaluation and analysis will be completed in October 2018. The compliance effects of Business Guide are measured as follows:</p> <p>Compliance effects are measured by a randomised splitting of the target group into a treatment (follow up) group and a control group. People in the treatment group are exposed to BusinessGuide while people in the control group receive standard treatment. This approach allows us to determine any causal compliance effects of the practice by comparing the behaviour of the people in the treatment group and the control group, taking into consideration statistical uncertainty. An estimated 500-600 people are allocated to the treatment group and followed up within a year.</p> <p>Using this design we will measure the effects of the totality of the treatment in BusinessGuide. However, it does not allow us to isolate the effects of single measures as this would have required several treatment groups receiving slightly different treatment. Compliance effects are measured on the following areas:</p> <ul style="list-style-type: none"> <li>How soon, and to what degree firms are registered in the VAT-register,</li> <li>Whether or not firms appoint an accountant,</li> <li>How soon firms register for advance tax payment,</li> <li>Whether or not firms submit VAT-returns and pay VAT-claims on time,</li> <li>Firms reported sales and assessed taxes.</li> </ul>
<ul style="list-style-type: none"> <li>What are lessons learnt and the key conditions for success?</li> </ul>	It is difficult, but possible, to identify the behaviour of those who come to Norway to work. But it cannot be done without face-to-face meetings and dedicated funding.
<ul style="list-style-type: none"> <li>Level of transferability (e.g. other countries/groups/sectors)</li> </ul>	In order for this to work, you need to put together teams with complementary competences and make sure the teams have a high status, both internally and externally.
<b>Additional information</b>	
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• Sources	Strategy for combating work-related crime <a href="https://www.regjeringen.no/en/dokumenter/revised-strategy-for-combating-work-related-crime/id2538515/">https://www.regjeringen.no/en/dokumenter/revised-strategy-for-combating-work-related-crime/id2538515/</a>
• Metadata and key words for online search	Self-employment, bogus self-employment, prevention, foreign workers.