NORDIC UDWP – WG KNOWLEDGE

COUNTRY REPORT FROM NORWAY

BY ROBERT EKLE AND MARIANNE ELVSAAS NORDTØMME

Introduction

In 2015, the Norwegian government published its first strategy towards undeclared work, or «work-related crime»[1] as is the official term used in Norway. One of the main directions pointed out in the strategy was better coordination between the different public agencies affected, in order to make the combat against work-related crime as forceful as possible.

Following this strategy, numerous measures were taken in order to combat work-related crime. For the last years, the volume of work-related crime seems to have been stabilized. Still, the government is determined to intensify the efforts to prevent and combat this phenomenon.

Today, The Norwegian Labour Inspection Authority works in a formalised cooperation with the police, the tax authorities and the social security services in order to make coordinated efforts towards work-related crime.

Testing the process indicator

In the NORDIC project, the working group elaborated a process indicator as a tool to score the effectiveness of national efforts to combat UDW. The initial aim for the working group was to establish a common effect indicator, but this was found to be unfeasible within the limits of the project. Moreover, developing an effect indicator was deemed as too demanding due to important differences in both the nature of UDW, the objectives of the efforts against UDW, and the tools available to the labour agencies in this regard, between the respective Nordic countries.

The process indicator was developed to measure each country's conditions for facilitating cross-agency cooperation to combat UDW. The indicator relies on the nature of the UDW phenomenon challenging the enforcement domains of several agencies, such as labour inspectorates, social security inspectorates and tax authorities. Cross-agency problems demand coordinated cross-agency solutions. Thus, although not an effect indicator, the process indicator can be an expression of a country's ability to combat UDW.

The process indicator consists of items that each reflect conditions that are considered important for achieving as efficient cross-agency cooperation as possible to combat UDW. To sort these prerequisites, the working group identified three over-arching categories of conditions. These categories are (1) Governmental framework conditions, (2) Knowledge and intelligence, and (3) Operative procedure and sanctioning. Each of these categories is measured or mapped with several items. In total, the process indicator consists of 15 items.

In the following we account for how the different items are scored in Norway in 2019. All in all, relevant Norwegian agencies have come a long way in their joint efforts towards UDW. Still, there are important barriers concerning legal restrictions towards sharing and combining information from the different agencies. Such combined information is found to be critical to the ability to combat the most important criminal actors in the Norwegian work life.

---

[1] Work-related crime is defined as «*Actions that break with Norwegian laws concerning wages and working conditions, social benefits, taxes and fees, often performed in an organised manner, the exploitation of workers or are distortive to fair competition and undermine the social structure*".

Category	Item #	Item	Score 0 = 'No' 1 = 'To some degree' 2 = 'Yes'	Score elaboration or further comment
Governmental framework conditions	1	Is combating undeclared work a stated goal for the government?	2	Both written and verbally
	2	Is there an overarching governmental strategy on combating undeclared work?	2	The strategy was first published in 2015 and has been revised twice, lastly in 2019.
	3	Are there joint action plans for cross-agency inspections?	2	Current joint action plan from 2017-2019, for labour inspection authority, welfare authority, police and tax authorities.
	4	Are there joint cross-agency assignments from the ministries?	2	Joint assignments in letters of allocation
	5	Is there a regular joint report on activities and effects from cross-agency efforts to combat undeclared work?	2	Yearly report describing activities and effects
	6	Are there national indicators for measuring undeclared work?	0	Not yet
	7	Is the legal framework adapted to combating undeclared work (i.e. sanctions)?	2	Disregarding existing legal barriers to share and combine information.
Knowledge and intelligence	8	Do the existing legislations enable agencies to share and combine information?	1	Some information may be shared, but the current legislation is an important barrier towards both sharing and combining information.
	9	Do agencies share and analyse strategic information?	1	To a certain degree
	10	Are there dedicated cross-agency staff for working with knowledge and intelligence?	2	Both operative and strategic
	11	Are there joint IT systems to facilitate knowledge and intelligence?	0	There is a joint IT system, but not suited to facilitate. Developed to store person forms from joint inspections.
Operative procedures and sanctioning	12	Are there co-located cross-agency inspection teams working together on a daily basis?	2	Seven co-located centres in cities all over Norway
	13	Are there cross-agency inspection teams which are not co-located but working together on a regular basis?	2	In some cities where there are no centres. More informal than the centres.
	14	Are there cross-agency procedures on how to coordinate efficient sanctioning ("tactical sanctioning")?	0	Not procedures, but this is assessed in each case
	15	Are the roles and jurisdiction of each member in the cross-agency teams clearly defined?	2	Every employee is placed in one of two groups, with separate roles.
Total score:			**22/30**	

Governmental framework conditions

Both the present and former Norwegian governments have declared that combating work-related crime is a goal for them. The first governmental strategy against work-related crime was published in 2015. The strategy outlined several measures to combat work-related crime. Among these was to strengthen the collaboration between different agencies such as police, labour inspectorate, tax authorities and social security authorities. Furthermore, the strategy established that existing joint efforts between different agencies should be systematised and coordinated both locally, regionally and nationally.

The strategy has been revised twice, last in May 2019[2]. Important aspects in the latest revision included preventive measures, knowledge and more targeted information to reduce the market for work-related crime.

The current joint action plan for the coordinated efforts towards work-related crime was published in 2017 and has a three years perspective. It is currently being revised. The action plan is built on the governmental strategy, and it states objectives for the joint efforts. It also describes the organisation

---

[2] https://www.regjeringen.no/no/dokumenter/strategi-mot-arbeidslivskriminalitet-2019/id2628152/sec1

of the cooperation, both nationally and locally. A range of measures, both operative and strategic, are listed.

In the first years of formalised cooperation between the four agencies there have been several challenges. One of them has been the lack of coordinated management from the departments to the agencies, and from the strategic level to the operative level of the agencies.

In 2017, the four agencies therefore received a joint assignment from the ministries to outline a common set of goals for and methods to measure effects from the joint efforts towards work-related crime. The report from this work was finished in 2018, and it describes the new objectives as well as recommendations for further work with measuring effects. The direct effect goals are as following (with main target groups in bold):

- **Central threat actors** have had their capacity and intention significantly reduced
- **Foreign workers** are enabled to attend to their rights and duties
- **Customers** do not contribute to work-related crime buying goods and services

These objectives are part of an "effect chain" modelling the wanted outcomes of the efforts against work-related crime (only available in Norwegian):

FIGURE 1: EFFECT CHAIN FOR EFFORTS AGAINST WORK-RELATED CRIME
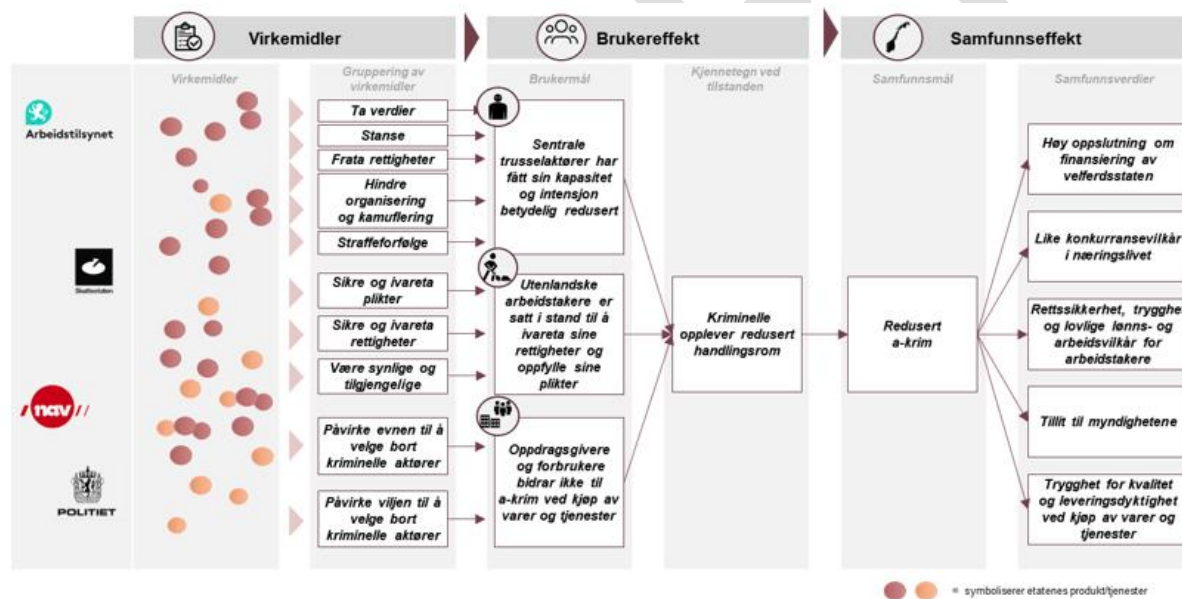
The three direct effect goals are common for all four cooperating agencies, and part of a common text in the yearly letters of allocation from relevant departments to the respective agencies.

The agencies work together on a joint yearly report describing activities and achievements on the objectives in the effect chain model.

The effect chain also forms the starting point for developing effect indicators which can be used to check if we are doing the right things in the right way. It is also an important basis for learning what works well and what does not work so well. A joint working group with members from the four agencies has been established in 2019, to work out a long-term plan with effect indicators and ways to measure them. This working group has started by mapping the needs for knowledge on effects from the efforts to combat work-related crime.

The legal framework is well adapted to combat work-related crime and achieve tactical sanctioning.

Knowledge and intelligence

The agencies cooperate on building knowledge both on a strategic and an operative level. This is important to make efforts as effective as possible.

On a strategic level, *Nasjonalt tverretatlig analyse- og etterretningssenter* (National cross-agency analysis and intelligence centre) was established in 2016, with the purpose of elaborating a knowledge basis for the cooperating agencies' joint and separate efforts against work-related crime. The centre has employees from all the four cooperating agencies, as well as from the Norwegian Customs agency. The centre receives analysis assignments each year. Until now, the centre has published two situational reports and several reports on concrete themes concerning work-related crime.

In 2019, a national analysis group was created with the responsibility of analysing effects of the efforts against work-related crime, in line with the effect chain (see figure 1). The group is responsible for developing a framework for effect analyses, as well as effect analyses to the joint annual report.

On an operative level, the joint centres each have a knowledge team, who make intelligence products to the local coordinators. In 2019, several such products were made, about themes such as criminal modes, industries, actor roles or specific criminal actors and networks. These products play a crucial role in the operative efforts against central criminal actors.

Despite these positive steps forward, there are still some legal and practical barriers to the efficient combination of data and information across-agency borders. This naturally affects the quality of both the knowledge products and the effect analyses, as there exist information and data that for juridical reasons cannot be combined, or even used at all.

The joint centres have a joint IT system that is first and foremost used for storing personal forms that are filled out by workers in operative inspections. However, this IT system is not suited to extract aggregated data.

Operative procedures and sanctioning

Three cooperating agencies[3] have seven joint and co-located operative centres in cities across Norway. In addition, there are cross-agency operative teams in other regions and towns. Although these teams are not co-located, they are still part of a formal cooperation between the agencies. All these operative teams perform joint inspections and decide on the tactical sanctioning of criminal actors. The cases resulting from the joint inspections are either handled by the cross-agency teams themselves, or by the host agencies ordinary case management (secondary line).

Each employee at the seven co-located centres belongs to either an operative team or a knowledge team. The operative teams perform inspections based on cross-agency assignments. The knowledge teams, although also participating in inspections, work with finding, assessing, combining and analysing information about specific actors, companies, geographic areas or branches of activities.

---

[3] That is, the police, the tax authorities and the social security services.

Data and indicators used in Norway

Currently used data and risk indicators for planning inspections

One of the inherent challenges with working with work-related crime is its nature of existing fully or partially outside the legal frameworks of ordinary business. This was emphasised in the national situational report published in 2017.[4] For traditional OSH inspections, the labour inspectorate usually bases its selection on register data about legal businesses, or at least the legal front of businesses. The labour inspectorate has few structured data sources which can be used to construct and monitor valid work-related crime indicators concerning the illegal activity of legal businesses, and none for illegal activity. Although the other cooperating agencies to a greater extent have methods and data to support them in constructing suitable indicators for this type of businesses, these indicators have other more agency-specific aims than trying to measure the cross-agency challenge of work-related crime. However, they may potentially be used as proxies for more labour inspectorate interesting indicators.

The cross-agency cooperation and collaboration on both national and local level have been introduced to mitigate these challenges. In the national situational report from 2017, the aim was to collect and organise knowledge concerning work-related crime, primarily describing the modes that characterised what the different agencies classified as work-related crime. Although the report was important in forming a shared understanding of the work-related crime phenomenon, the work has not yet led to any strategic or operational indicators and has not had a direct impact on the planning of inspections.

However, the collaboration on both strategic and operational levels, together with the shared understandings and knowledge from the situational report, joint cross-agency training and cross-agency operations, have all had an impact on how the inspections are planned on a local level. Primarily by the formalisation of working knowledge- and intelligence-based through the strategic plans for the seven co-located centres. This has directly changed how the centres are supposed to work. Each agency now has dedicated personnel working with gathering, assessing and analysing data and intelligence in a more systemised way, as well as dedicated personnel for performing task-oriented inspections. However, there are still few to none national guidelines and best practises on how to do this knowledge and intelligence work, and few arenas for sharing operational experience.

In the spring of 2019, the Labour Inspection Authority unilaterally started a centrally facilitated cross-centre series of meetings and seminars for the operational personnel dedicated to data and intelligence management and analysis. This series of meetings have emphasised the need for further enhancing the personnel's competence regarding tools and methods of information management and analysis, the agencies' case management systems – both technical and organisational – and revising information sharing and compiling regulations regarding this specific phenomenon.

The agencies all have their own case processing systems and possibilities to extract data from these systems. In 2018, the labour inspectorate made additions to the case processing system so that the inspectors specify whether a specific case involves suspicion of work-related crime, which type(s) of crime and what kind of criminal actor the object of the inspection presumably is. The inspector also adds information about which agency is following the case further, after the labour inspectorate has given their sanctions.[5] During 2019, about 500 inspections, and the companies involved in them, are tagged with suspicion of work-related crime by the responsible inspector. The most common types of

---

[4] Nasjonalt tverretatlig analyse- og etterretningssenter (2017): *Arbeidslivskriminalitet i Norge. Situasjonsbeskrivelse 2017.* Oslo: ØKOKRIM.

[5] Cf. the «sanction triangle» in the report from the working group on the process indicator

crime concern wages and work conditions, and tax evasion. These data can be used both directly in operative planning and strategically, e.g. to map the phenomenon.

Currently used data and indicators for evaluating inspections

Evaluation of the inspections (and other types of efforts) must be done according to their objective. The labour inspectorate operates with two different kinds of inspections with different objectives:

- Expose work-related crime
- Combat work-related crime

From our data we can see that in 2019, 80 % of the inspections had the purpose of exposing work-related crime, whereas 20 % had the purpose of combating identified criminal actors.

Half of the inspections with the second objective are tagged with suspicion of work-related crime after the inspection. Given that these inspections should be based on prior knowledge about the involved actors, this share ideally should be higher. This can be due to a lack of tagging in the case processing system. Another possible explanation is that the targeted objects for these inspections are not always based on prior knowledge, but sometimes more randomly selected. Either way, tagging gives us important information in order to evaluate our operative practices.

Since the cooperation with other agencies is extensive, we cannot rely only on the labour inspectorate's data in order to evaluate the inspections. Normally, the labour inspectorate uses

result indicators such as sanctions to evaluate the effectiveness of our inspections. But as the joint efforts require tactical sanctioning, the sanctions from one of our inspections may be given by another agency instead, if this is deemed to be more effective in the particular case.

Therefore, a national cross-agency effect analysis group was established in 2019. The group has delivered their first contribution to the joint annual report for 2019. The group has identified indicators on all levels of the effect chain, that should be used to evaluate the three effect goals of the efforts against work-related crime. Table 1 gives a crude outline of these indicators.

TABLE 2: EFFECT INDICATORS

Effect goal 1: Central threat actors	Effect goal 2: Foreign workers	Effect goal 3: Customers
Volume of activities and sanctions (administrative and punitive)	Volume of activities	Volume of activities and sanctions
Development in financial turnover in companies owned by criminal actors	Number of foreign workers having received information	Number of customers having received information
Development in number of people with a role in companies owned by criminal actors	Development in foreign workers' knowledge on rights and duties	Number of visitors to open access data on the seriousness of businesses
Development in access to commissions	Development in data quality in registers involving foreign workers (ID, salaries)	Development in number of customers reporting to have bought non-declared services
	Development in foreign workers labour conditions	Development in number of companies who assess that unserious businesses are shut out of the market

The conclusions from this first round of effect analyses is that much more information is needed in order to give more certain answers about the effects. For 2019, much of the effect evaluation had to be based on qualitative assessments from the cooperative teams. A more quantitative effect evaluation was not feasible, as there were little data available both on the population of the target groups, and on their status after they had been subject to authoritative measures.

The kind of data needed logically varies between the three effect goals. The most important obstacle to the first effect goal concerns the lack of ability to combine information so that identified criminal actors can be followed through the different agencies' case processing systems.

Identified methods and success stories of good practices for combatting undeclared work

The efforts of cross-agency cooperation in combatting work-related crime were initially local and bottoms-up. Most of the efforts are still characterised by this in local procedures, routines and initiatives, although there is more central coordination and management of both inter- and intra-agency work.

First and foremost, the model of co-operated centres has proven to be a success, although the centres still are local and regional in scope and are at different stages regarding levels of competence and cooperation. However, the local and regional scope has made the centres focus on different industries, resulting in different experiences and lessons learned. All centres have a continuous interest in the construction industry, but for instance, the northernmost centre has focused more on the fish processing industry (winter time) and one of the centres in the southeast of Norway have focused on seasonal third-country workers in agriculture. The centres have exchanged people in these seasonal efforts. The exchange of inspectors geographically and between industries have improved the practices and the information gathering processes, regarding sources of information, methods of compiling information and which indicators to use, as well as more tactical methods of

how to tackle the actors when they are found (e.g. injunctions, penalty tax, criminal charges etcetera).

Identified bottlenecks for cross-agency and/or cross-border cooperation and/or inspections

The lack of cross-agency information sharing, and subsequent combining and compiling, is the single most important problem in the cross-agency handling of the work-related crime problem. The barriers against sharing is both legal, organisational and technical. There are initiatives trying to overcome some of these barriers, but it takes both time and resources. Currently there is one joint agency group working on mitigating the lack of shared data systems, and one legal group trying to untangle the legal knots of data management and compilation.

Another bottleneck for the cooperation and inspections has previously been deviating key performance measures between the agencies. Before having a joint strategic framework for the cross-agency cooperation, the individual agencies' aims influenced the operational behaviour and choices. E.g. the Labour Authority was previously measured on number of inspections rather than the effects of inspections. This measure favoured many "uncomplicated" inspections rather than inspections aiming at central actors of work-related crime, whom the Tax Authority wanted to prioritise. Similar examples of goal conflicts between the agencies can still be found, but not to the same degree as before we had joint objectives.

Finally, the lack of good indicators is a problem. There are some operational indicators which are utilised in specific industries and efforts on a local and regional level, some with more success than others, but there has not been a coordinated effort in collecting, compiling and assessing these indicators. This has hindered the organisational learning between centres, and have made it more problematic to create more strategic indicators trying to measure trends and assess threats.