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Statistics and analysis unit  
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## Nordic-Baltic Undeclared Work Project WG Knowledge – Sweden

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## **Introduction**

This country report builds upon official documents and the results from an evaluation. The evaluation is based on focus group interviews with five cross-agency inspection teams situated within the regional division of the Swedish Work Environment Authority.

## **Testing the process indicator**

In the previous UDW Nordic project, a process indicator was constructed for measuring the preconditions for cross-agency cooperation as a means to tackle UDW<sup>1</sup>. The process indicator may help to measure or map the conditions and possibilities for cross-agency cooperation in tackling UDW. With the indicator, key issues that might withhold or hinder cross-agency cooperation can be identified. The indicator consists of 15 items covering three over-arching categories of conditions that are considered important for achieving efficient cross-agency cooperation. The table below shows the total score assessed from the testing of the process indicator. Each category is then elaborated on.

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<sup>1</sup> Process Indicator for Combating Undeclared Work. Report to Nordic Working Group. May 2018.

Category	Item #	Item	Score 0 = 'No' 1 = 'To some degree' 2 = 'Yes'
Governmental framework conditions	1	Is combating undeclared work a stated goal for the government?	2
	2	Is there an overarching governmental strategy on combating undeclared work?	1
	3	Are there joint action plans for cross-agency inspections?	2
	4	Are there joint cross-agency assignments from the ministries?	2
	5	Is there a regular joint report on activities and effects from cross-agency efforts to combat undeclared work?	2
	6	Are there national indicators for measuring undeclared work?	1
	7	Is the legal framework adapted to combating undeclared work (i.e. sanctions)?	1
Knowledge and intelligence	8	Do the existing legislations enable agencies to share and combine information?	1
	9	Do agencies share and analyse strategic information?	1
	10	Are there dedicated cross-agency staff for working with knowledge and intelligence?	2
	11	Are there joint IT systems to facilitate knowledge and intelligence?	1
Operative procedures and sanctioning	12	Are there co-located cross-agency inspection teams working together on a daily basis?	0
	13	Are there cross-agency inspection teams which are not co-located but working together on a regular basis?	2
	14	Are there cross-agency procedures on how to coordinate efficient sanctioning ("tactical sanctioning")?	2
	15	Are the roles and jurisdiction of each member in the cross-agency teams clearly defined?	1
		<b>Total score (maximum 30):</b>	<b>20</b>

### Category 1: Governmental framework conditions

Combating UDW is a stated goal for the Swedish government, though there is no national strategy. In December 2017, the government assigned eight authorities to cooperate and develop suitable and effective methods in 2018–

2020 for joint cross-agency inspections to combat undeclared work (reference number at the Government Offices of Sweden A2017/02422/ ARM and A2017/00678/ ARM). The eight authorities are the Swedish Public Employment Service, the Swedish Work Environment Authority, the Swedish Economic Crime Authority, the Swedish Social Insurance Agency, the Swedish Gender Equality Agency, the Swedish Migration Agency, the Swedish Police Authority and the Swedish Tax Agency.

One part of the cooperation, is for the authorities to produce a joint annual status report on the status of UDW and to suggest actions and activities. The report also addresses the previous year's achievements in the collaboration och of the cross-agency inspections. So far, two reports have been produced with the second report presented in January 2020.

There are no joint indicators for effects of the cross-agency inspections. Except for the annual status report, there are no regular joint report on activities and effects. However, during the period of the government assignment, the Swedish Work Environment Authority is responsible for reporting the progress to the government.

There is also no national indicators for measuring the prevalence of UDW, but the tax authority have done some estimates regarding undeclared incomes in certain industries, such as cleaning and construction. But to measure the extension of the UDW phenomenon is difficult, and would require the sharing and combining of different agencies' registries and other data, which is prohibited by the current rules and regulations.

The Swedish Working Environment Authority has made a survey to employers within five industries, asking the perceived prevalence of UDW within their industry and geographical region. The industries are construction, transportation, hotel/restaurant, STÄD and cleaning.

The government have initiated some official inquires to map and to propose legislative changes etcetera in order to make the cross-agency work and other measures more efficient in combating UDW.

## **Category 2: Knowledge and intelligence**

For now, it is not possible to share and combine information from different agencies working against UDW. However, so called strategic information on a macro level can be shared and used for more general analyses and risk

assessments. Strategic information can for example concern the estimated presence of UDW or worker exploitation in certain sectors or industries.

There are a national cross-agency analytic work group, responsible for producing the yearly status report, develop joint effect indicators and such. In this work, strategic information are shared and combined, but there are no joint IT-systems.

On regional level, knowledge and intelligence are shared within the cross-agency inspection teams (see below). But there are no joint or shared IT-systems for sharing information.

### **Category 3: Operative procedures and sanctioning**

Following the regional division of the Swedish working environment authority, there is one cross-agency inspection team in each region. These teams have been working prior to the latest government assignment. The participating authorities are the ones specified in the assignment.

These regional teams are not collocated and have regular meetings on a monthly basis. However, there also are an ongoing cooperation in-between team members and agencies on a daily basis regarding cross-agency inspections.

The teams cooperates when necessary with other authorities (e.g. customs, coast guard) and also municipalities' different inspectorates. Municipalities grant permission for serving food and alcohol, and makes follow-up inspections at the establishments. The municipalities also are responsible for assisting in cases where human exploitation may be suspected, and when victims may need shelter and support during a police investigation. Municipalities and emergency services (fire brigade) may also be involved if inspections reveals that workers sleeping quarters are in the workplace or in areas that are unsuitable or hazardous.

### **Currently used risk indicators and data for planning cross-agency inspections**

The risk assessment process can be described as a "funnelling of risks" from the labour market and industry level, down to the local level. The differences between urban and rural areas and also geographical differences, calls for local autonomy when inspectors plan and select targets for joint inspections.

### **Risk assessment on national level**

An overall risk assessment for the prevalence of UDW on the Swedish labour market, and in the different sectors and industries, is made by the joint cross-agency analysis working group. The data used comes from each of the participating agency's registries, data bases, agency specific intelligence or reports, results from inspections or investigations etcetera. The analysis working group publish an annual risk report, open to the public. Therefore, there are no sensitive or confidential material in these risk assessments or publications.

All data used comes from each agency's core tasks and operations. There is no specific UDW-data per se, even though some authorities may be closer to the UDW-phenomenon in their work, such as the Police authority. Indicators of UDW-activity must therefore rely on the authority's own experience and knowledge of the tasks or groups they are engaging with, for instance migrants, unemployed or businesses.

However, there is no systematic sharing, combining or analysing of data other than between the participating group members in the cross-agency teams. This makes the analyse process dependent on both each group members skills and knowledge, and on the working group's ability to cooperate and function. The results of these macro analysis are compiled in the joint cross-agency status report, which also is used for overarching planning for the participating agencies.

### **Risk assessment on regional level**

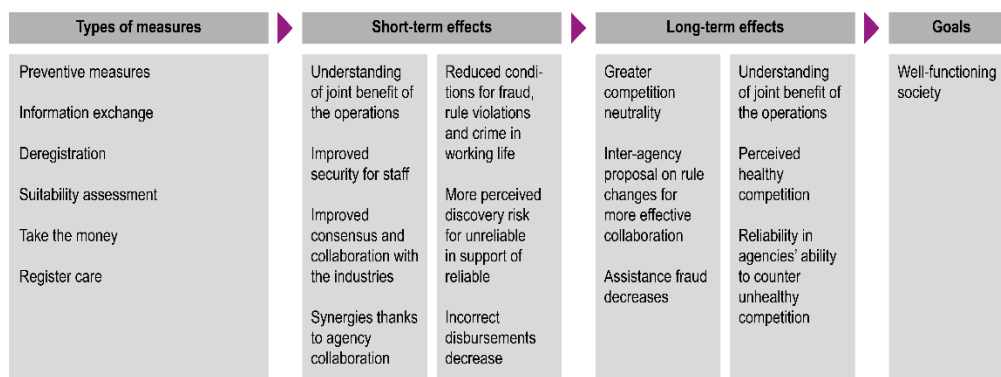
In the regional cross-agency teams, the risk assessments are based on the national report, mentioned above, but also regional and local knowledge regarding UDW. Risk assessment is crucial when the regional cross-agency teams are planning for joint inspections.

The teams meet regularly to discuss specific cases, companies, worksites, new developments etcetera, to exchange knowledge and experiences from the region they are situated in. From these discussions, targets are chosen for joint inspections and the inspection is planned and staffed accordingly. Each regional cross-agency team has large autonomy in their work on risk assessment, planning, staffing and conducting joint inspections.

Sharing, compiling and combining agency specific data, knowledge, and intelligence is done in the physical meetings of the regional cross-agency teams. Due to secrecy laws, they must not do this digitally or in other systematic ways.

### Currently used indicators and data for evaluating inspections

The cross agency cooperation against UDW has determined a number of effect goals and created an effect chain, which is illustrated in the figure below.



**Figure 1.** Effect chain for the cross-agency cooperation.

Currently there is no IT-system for registering the results of joint inspections. Each participating agency uses its own IT-system, indicators and routines for registration of inspections and controls. On coordinated inspection weeks, like the annual Europol action week, SWEA has collected the general results from all participating authorities.

From the SWEA perspective, there are no real differences between ordinary working environment inspections to an UDW-inspections. The inspector do not follow any different procedures. Any deficiencies in the working environment, are also processed and if necessary sanctioned in the same way. Therefore it is the aim or motive behind the inspections that label them as UDW-inspections.

### Identified success stories in combatting undeclared work

The regional cross-agency teams' work has been key to start tackle UDW, although there are limitations to how they can operate and above all cooperate. The major limitation is that the teams' participating members can only share a limited amount of information and do so face-to-face, in the monthly meetings when planning for joint inspections. Despite this limitation, the teams have managed to find ways to cooperate and have shown increasing results since the inception of the joint government assignment.

The different agency member in the teams has specific regional and local knowledge regarding companies, economic activity, employers, labour market etcetera which is difficult to find in registries. The knowledge and experience that each participating inspector, investigator, police officer etcetera brings to the team are vital for the risk assessment and choosing of targets for inspection.

When the different knowledge and experiences are combined within in the regional team, risks for ongoing UDW can more easily be identified. However, this makes the cooperation vulnerable for any team members coming and going.

The five regional cross-agency teams work under very different circumstances and conditions. In Sweden, the differences between North and South, as well as urban or rural areas, are seen in the labour markets. Not all sectors or industries are found in all regions in the same extent and with the same economic activity. There are also large variations of seasonal workers etcetera. The high degree of autonomy and flexibility for the regional teams when planning for joint inspections, has been favourable for adapting the work process for the specific context.

#### **Identified bottlenecks for cross-agency cooperation**

The two main bottlenecks for more efficient cross-agency cooperation are the current restrictions on sharing and combining information, and the different levels of resources that the participating authorities invest in the cooperation. These bottlenecks may be connected to some degree, since a freely exchange of information would facilitate the prioritizing of resources.

The lack of secure IT-systems for sharing information, like encrypted e-mail systems, shared by all participating authorities is a challenge.