

Platform study visit:

Netherlands Labour Authority approach on strategies, practices and tools used for tackling undeclared work

The Hague, The Netherlands, 16-17 October 2024

EXECUTIVE SUMMARY

The study visit hosted by the Netherlands Labour Authority (NLA) provided an opportunity for Platform members and observers to explore the Authority's approach on strategies, practices, and tools used for tackling undeclared work. The goal was to explore, understand, and possibly transfer elements of these tools across different contexts, fostering a collaborative and mutually beneficial learning environment for all participants. The study visit brought together 41 participants, including representatives of labour inspectorates, tax and social security institutions and governmental organisations from 11 Member States, representatives of the Netherlands Labour Authority and the Ministry of Social Affairs and Employment, representatives from the European Labour Authority (ELA), and a thematic expert. The event was also attended by representatives of the Moldovan Labour Inspectorate and Ministry of Labour and Social Protection.

Introduction to the theme of the study visit



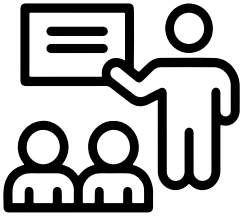
This visit followed a presentation on the digital '[self-inspection tool](#)' and other measures used by the NLA to support employers' compliance, discussed during the Platform plenary meeting, held in Bratislava in April 2024. The Netherlands was later awarded by ELA in June 2024 for their '[self-inspection tool](#)', recognised as exemplary practice under the ELA Call for Good Practices 2023. This tool allows employers to assess their compliance with current employment legislation. The visit covered, inter alia, the 'intervention toolbox' which supports programme managers, project managers, and labour inspectors, to identify target groups potentially involved in undeclared work, understand their motives for non-compliance, and suggest appropriate interventions. The visit also explored the 'programmatic approach' used by the NLA to address undeclared work among migrant workers, particularly related to temporary work agencies and the meat-processing industry.

Host Country presentations



- ▶ The introductory presentation discussed the general approach of the Netherlands Labour Authority (NLA) to tackle undeclared work. The NLA uses a strategic '**risk-analysis**' and '**programmatic approach**' to tackle undeclared work, allowing for well-founded choices and interventions based on specific risk levels and for better resource allocation. Currently, the NLA has 11 theme- and sector-oriented programmes aimed at risks such as labour exploitation and psychosocial workload. The choice of their programmes is based on a 'risk analysis' and 'programming cycle' divided into strategic (choice of programmes and goals), tactical (programme plan, choice of sectors, target groups, and instruments), and operational (project plan, choice of employers/companies, choice of instruments) levels. The NLA ensures effectiveness by using different types of interventions such as providing information on rights and obligations, self-inspection checklists, cooperation with social partners and different stakeholders. Their enforcement capabilities include warnings, demand for legal compliance, hauling the work, penalty reports, or police reports. Reflective actions include early warning functions, identifying trends and developments in the labour market, pinpointing regulatory constraints, providing feedback to policymakers, and engaging in agenda-setting and stakeholder collaboration.
- ▶ In the second presentation, the '**intervention toolbox**' was introduced. The toolbox is a step-by-step plan used by programme managers, project managers, and labour inspectors to identify target groups potentially involved in undeclared work, understand their motives for noncompliance, and select appropriate interventions. The process involves four steps: (1) selecting the target group and/or specific risk, (2) understanding the motives behind noncompliance, (3) selecting certain interventions based on the available information, and (4) conducting effect research. Each step includes multiple tools to aid this process. Participants worked in groups on two case studies. In the first case study, they focussed on the first step of the toolbox, namely selecting the target group and the specific risks, by using 'chain analysis', one of the several tools available for this purpose. The case study involved the cleaning sector and the risk of exploitation. In the second case study, participants worked on the second step of the toolbox, namely understanding the motives behind noncompliance, by using 'drivers analysis', a tool designed for this purpose. The third step was discussed concerning the 'intervention guide', one of the tools used to select interventions based on the available information.
- ▶ In the third presentation, the strategic use of **communication** as an intervention tool was introduced, along with the **checklists for employers**. Inspections of cleaning companies at fast food restaurants had revealed numerous violations, prompting authorities to enhance compliance efforts. Communication was used strategically, including press releases about the inspections to exert pressure on fast-food companies. This led to discussions between the fast-food companies and the NLA to raise awareness and emphasise the need to hire declared cleaning companies and stop collaborating with fraudulent ones.

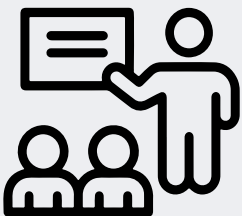
Host Country presentations



The recommendations were translated in practical tools and checklists for both hiring and cleaning companies, enabling them to check whether they are compliant with all employment-related regulations. Additionally, authorities communicated the desired norms and highlighted positive examples (e.g. companies complying with the regulations or correcting irregularities) to foster a culture of compliance. This resulted in increased awareness and tighter hiring procedures within fast food companies, including adjustments to contracts and switching cleaning companies if exploitation was discovered.

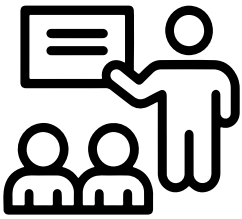
- ▶ The fourth presentation focused on the use of **risk analysis** to tackle undeclared work, enabling authorities to make informed decisions on where and how to deploy interventions. Risk analysis allows for selective, targeted, and effective interventions, ensuring resources are used efficiently and issues are addressed proactively. The presentation highlighted the use of data on posted workers' prior notifications through the online portal [postedworkers.nl](https://www.postedworkers.nl) to make choices regarding capacity, instruments to deploy, and for targeted analysis.

Thematic presentation



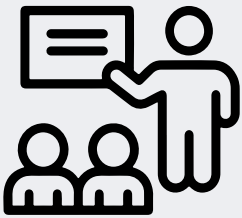
The thematic presentation provided a detailed look into the **working conditions of migrant workers in the meat sector** in the Netherlands. It explored why many migrant workers, primarily from Poland and Romania, accept these challenging conditions, which are often obscured by complex labour processes. The presentation highlighted the precarious nature of their employment, especially during Covid-19, with many workers employed through temporary agencies with inaccurate registrations. Research shows that these workers face high dependency on employers who control their accommodation and transportation, creating an environment of fear and control. The lack of transparency and accountability between agencies and companies further complicates their situation. The presentation emphasised the need for better enforcement of workers' rights and structural changes to empower migrant workers and improve their working conditions.

Host country presentation



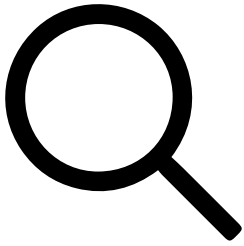
A programme manager from the NLA discussed their **programmatic approach** to tackling undeclared work in **temporary agency work**. With around 20,000 temporary work agencies in the Netherlands, it is easy to start one. The NLA has long targeted fraudulent staffing agencies. Their interventions include inspections and investigations, providing information on rights and obligations, self-inspection tools and checklists, fines, and other enforcement tools. They cooperate with other supervisors, government departments, industry associations, and social partners. New measures aim to make it harder to establish temporary work agencies. These measures include legislation regarding an admission requirement for temporary work agencies, the foundation of a new intervention team to tackle cross-border problems regarding migrant workers, and the obligation for double reporting of work-related accidents (both the hirer and the temporary work agency must report to the NLA). Current projects on temporary agency work include the recruitment of 90 employees due to the new supervisory task and a new project on temporary work agencies and the meat industry.

Member State presentation



Representatives from the Ministry of Regional Identity, Local Government, Building and Digitalisation of North Rhine-Westphalia and the state's Tax Office discussed **cross-border cooperation in the German-Dutch border regions**. They focused on labour migrants working in the Netherlands but living in Germany, highlighting poor accommodation conditions and high occupancy rates with few registered residents. Most migrants, from various EU countries, were working in the meat industry. Government consultations between the Netherlands and North Rhine-Westphalia led to joint investigations and cross-border cooperation on temporary work accommodation. The tax investigation authority got involved because rental income is taxed in Germany under the double taxation agreement with the Netherlands. Issues included cash payments, lack of rental contracts, and rent deductions from workers' payslips, resulting in very low net pay.

Conclusions / final remarks



During the final remarks, the ELA expressed gratitude for the commitment and engagement shown by the NLA in tackling undeclared work, highlighting their tangible impact and innovative approach to addressing this issue with a mix of measures. Understanding why employers are non-compliant was emphasised as crucial. It was concluded that the study visit was a beneficial opportunity to delve deeper into the sophisticated and inspiring approach and methods applied by the NLA to make well-founded choices and effectively tackle undeclared work.

Further information: The study visit was integral to a larger mutual learning process among Platform members and observers and provided opportunities for exchange and collaboration. Further information on Platform activities is available at: <https://www.ela.europa.eu/en/undeclared-work>.