

Article 22 of the Constitution of the ILO
 Report for the period 1 June 2013 to 31 May 2015
 made by the Government of Finland
 on the
LABOUR INSPECTION CONVENTION, 1947 (No. 81)
 (ratification registered on 20 January 1950)

Observation, 2013

Inspection of foreign labour

In 2013-2014, Occupational Safety and Health Authorities inspected foreign workers' authorisation to work and observance of their minimum terms of employment in selected industries. The number of inspections on foreign labour is indicated in the table below.

| | 2013 | 2014 |
|-------------------------------|--------|--------|
| All workplace inspections | 22,340 | 24,145 |
| Inspections on foreign labour | 3,400 | 2,505 |

Some of the inspections were joint inspections together with another authority (the Police, tax authorities, the Finnish Boarder Guard, alcohol inspector). During the inspections, shortcomings were observed especially in the implementations of the minimum terms of the foreign workers' employment relationship, such as underpayment of wages and compliance of the working hours. An inspection project was carried out in the restaurant and construction industry, with the development of cooperation with the police and border guard as one of its goals.

Guidelines for inspections on foreign labour, [ulkomaisen työvoiman valvontaohje](#) (link to guidelines in Finnish), were created in 2012 to align inspectors' practices. The guidelines describe inspectors' and Occupational Safety and Health Authorities' measures in inspecting foreign labour and essential terms of employment. Occupational Safety and Health Authorities' duty is to supervise employers' activities. The purpose of this supervision is to ensure one common labour market that work on the same terms for all workers. The primary objective of inspections is to assess how well the employer fulfils its statutory obligations related to the use of foreign labour. The inspections ensure that the obligations, essential minimum terms of employment and provisions on working conditions as defined in the Aliens Act (201/2004) or Posted Workers Act (1146/1999) are respected. In addition, national obligation models have been created on improvement notices and written advice for employers in the Occupational Safety and Health Administration information system, Vera. Information for employers and workers can be found on www.tyosuojelu.fi.

The competence of inspectors is defined in the Act on Occupational Safety and Health Enforcement and Cooperation on Occupational Safety and Health at Workplaces (44/2006). If the hazard or harm is minimal, the inspector can issue to the employer written advice. If the hazard or harm arising from non-complying conditions in regard to matters referred to in section 13, subsection 3 is greater than minimal, the inspector can issue an improvement notice, where the time limit must be specified within which the employer must make the conditions comply. Likewise the inspector may issue an improvement notice if the employer does not follow written advice. If the employer has not followed the improvement notice, the inspector shall submit the matter to occupational safety and health authorities. The Occupational Safety and Health Authorities may impose a binding decision, which can be reinforced with a default fine.

If there are probable grounds for suspecting that an act has been committed that is punishable under Chapter 47 of the Penal Code (39/1889) (unauthorised use of foreign labour, violation of the Aliens' Act or violation of the Aliens' Act by an employer), the occupational safety and health authority shall notify the police of the act for preliminary investigation. In 2010-2013, Occupational Safety and Health Authorities reported 178 cases of unauthorised use of foreign labour to the police. Outstanding wages or social security benefits are not within the scope of Occupational Safety and Health Authorities' inspections. Deportations etc. are not within the scope of authority of Occupational Safety and Health Authorities.

Data on undeclared work

Tax administration inspection statistics describe the actual extent of undeclared work.

Payment proposals in tax inspection reports on the shadow economy are followed on an annual level. In 2009-2014, the numbers of payment proposals have been:

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 69 million € | 70 million € | 57 million € | 61 million € | 66 million € | 56 million € |

700-800 so-called shadow economy tax inspections have been conducted annually, revealing missing income, undeclared pay and receipt trading. However, in 2010 the number of inspections dropped by over 10% from the previous year, and has remained on approximately the same level.

A target level of 30% of inspection resources of the tax inspection unit has been set for shadow economy tax inspections and prevention with the Ministry of Finance. In 2014, this target level was exceeded. The tax inspection unit's goal for 2014 was 600 shadow economy inspections. In 2014, 713 inspections were conducted. The focus has been shifted to operating methods that prevent shadow economy and guide customers.

Shadow economy inspections

| Year | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----------------------|------|------|------|------|------|
| Number of inspections | 732 | 732 | 725 | 688 | 713 |

The number of shadow economy tax inspections has remained rather stable in recent years. Although the amount of detected undeclared business has otherwise remained rather unchanged, more missing sales figures and undeclared pay were detected in 2014 inspections than in previous years.

| Year | 2012 | 2013 | 2014 |
|--------------------------------------|-------------|-------------|-------------|
| Tax inspections | 3,151 | 3,362 | 4,666 |
| Grey businesses out of the inspected | 725 | 688 | 713 |
| Inspection of duty to disclose | | | |

| | | | |
|--|-------|--------|-------|
| in construction | | | 76 |
| Comparative data inspections in construction | 267 | 290 | 320 |
| Disclosed shadow economy millions € | | | |
| - undeclared pay | 48 | 51 | 89 |
| - missing sales | 55 | 64 | 68 |
| - concealed dividend to companies | 7 | 8 | 5 |
| - concealed dividend to shareholders | 28 | 27 | 36 |
| Payment proposals tax millions € | | | |
| - prepayment | 7 | 17 | 12 |
| - value added tax | 14 | 20 | 13 |
| - direct taxes | 26 | 29 | 31 |
| Total | 61 | 66 | 56 |
| False receipts in accounting | | | |
| - number of receipts | 5,902 | 11,486 | 4,052 |
| - value of receipts mill. € | 40 | 81 | 38 |

Direct Request, 2013

Articles 3, 4, 6, 7, 10, 11, 16, 20 and 21 of the Convention. Organization and effective functioning of the labour inspection system under the supervision and control of a central authority.

Effects of the regional state administration reform

The regional state administration reform has not affected the number of occupational safety and health inspectors, inspections or allocated budget. The annual report of the Occupational Safety and Health Administration includes information on its operations, such as inspections and allocated budget. Link to the annual report of 2013:

http://www.e-julkaisu.fi/tyosuojeluhallinto/annual_report/2013/ .

Page 26, among others, includes statistics on inspections, personnel, finances, etc. from 2010 to 2013. This information is also attached to this report. The 2014 annual report is only available in Finnish at the moment, but it is being translated into English. The regional state administration reform has mainly affected the inspectors' offices. Regional State Administrative Agencies have relocated various units into the same buildings. This has meant that in several locations, the Occupational Safety and Health areas of responsibility have moved offices. The moves have decreased rent and made it easier to utilise shared office services.

Occupational safety and health inspectors' wages are on the same level as other State inspectors' wages. An inspector's gross pay varies from EUR 3,200 to EUR 3,800 / month, according to their requirement level and personal performance. The inspectors are in public service employment relationships.

The Government submitted a report to the Parliament on the implementation and progress of the regional state administration reform in February 2013. The Parliament gave its response in summer 2013. The Parliament stated that the general objective of the reform was to develop an efficient regional state administration that focuses on citizens and customers and delivers results. Goals were also set concerning authorities' duties and division of labour, development of regional divisions, the number of authorities, productivity and performance. The goals aimed at creating a clear regional state administration that considers customers' needs. The Parliament stated that according to the

Government report, the independence required of occupational safety and health inspections was secured in the regional state administration model. However, a questionnaire addressed to Occupational Safety and Health Authorities revealed a negative attitude towards the effects of the reform of regional state administration. Respondents were particularly dissatisfied with the Regional State Administrative Agencies' administration and information management services. The Ministry of Finance set up a working group to identify the reasons behind the dissatisfaction towards administrative services and to find solutions. The Parliament called for swift solutions to problems resulting from the organisation of duties or other practices in Occupational Safety and Health. In addition, the Parliament called for more efficient use of inspection resources and improved consistence in the quality and availability of Occupational Safety and Health Authorities.

An evaluation group set up by the EU Senior Labour Inspectors Committee evaluated Finland's Occupational Safety and Health Administration's operations in autumn 2014. The evaluation group stated that Finland's Occupational Safety and Health inspections were in line with the common SLIC principles on occupational safety and health. According to the group: Even though Occupational Safety and Health has been placed in Regional State Administrative Agencies and uses their administrative services, in our view, the new organisational structure of Finland's Occupational Safety and Health is in line with common SLIC principles of occupational safety and health, as it is an efficient system that complies with Finland's administrative practices. (The SLIC-report as Appendix 2).

In spring 2014, the Ministry of Finance launched a new regional state administration development project, VIRSU, analysing central and regional administrative agencies. The assessment group submitted its report to the Ministry of Finance in January 2015. Proposals for measures based on the report are under preparation.

Productivity and quality of occupational safety and health enforcement

There have been endeavours to improve the productivity of occupational safety and health enforcement by e.g. introducing the Vera information system. The system is now almost in full use, and the intention is to survey productivity benefits of the system through various indicators. Since the full introduction of the system has been slightly delayed from the original schedule, there is no exact data on productivity benefits yet.

Quality improvement measures for occupational safety and health enforcement have included inspection guidelines to inspectors and training on the guidelines. The objective of the guidelines is to unify inspections and improve their quality. A total of 13 guidelines have been issued:

- General guidelines
- Guidelines for monitoring physical violence and threats of violence
- Guidelines for monitoring moisture and mould damages
- Guidelines for monitoring harassment and unfair treatment
- Guidelines for monitoring employment issues
- Guidelines for monitoring discrimination at work
- Guidelines for monitoring foreign labour
- Guidelines for monitoring occupational health care arrangements
- Guidelines for monitoring psychosocial strain
- Guidelines for the investigation of serious industrial accidents
- Guidelines for processing reports of occupational diseases and other work-related illnesses
- Guidelines for monitoring chemical agents
- Exercising authority and reporting crimes to the police.

The guidelines are in force for five years, and the first guidelines are currently being updated. Supervisors monitor inspectors in Occupational Safety and Health. The quality of inspections is also monitored by the Department for Occupational Safety and Health at the Ministry of Social Affairs and Health. In addition, customer feedback questionnaires are circulated regularly. Quality is also enhanced through training for inspectors, which has been developed in recent years.

Articles 9 and 14 Notification of industrial accidents and cases of occupational diseases.

Reporting industrial accidents and occupational diseases to Occupational Safety and Health Authorities

If an industrial accident results in death or serious injury, the employer must report it to Occupational Safety and Health Authorities immediately (subsection 1 of section 46 of the Act on Occupational Safety and Health Enforcement and Cooperation on Occupational Safety and Health at Workplaces, so-called enforcement act 44/2006) and the police (section 39 of the Employment Accidents Insurance Act 608/1948). According to section 6 of the enforcement act, Occupational Safety and Health Authorities must urgently investigate the accident after being notified of the industrial accident resulting in death or serious injury within the meaning of section 39 of the Employment Accidents Insurance Act. The employer's duty to notify Occupational Safety and Health Authorities concerns the same accidents that fall within the scope of Occupational Safety and Health Authorities' statutory duty to investigate. Received notifications are docketed and processed according to guidelines of the area of responsibility. Occupational Safety and Health decides on the commencement of an investigation. Even though employers do not always think to inform Occupational Safety and Health Authorities of the accident, notification of the accident can also be obtained by other means. The police or emergency centre can notify Occupational Safety and Health Authorities. Someone may also choose to report the accident to the Occupational Safety and Health Authorities. There have been endeavours to improve employers' awareness of their notification duty through enforcement and communication. In 2014, guidelines for the investigation of serious industrial accidents, [valvontaohje vakavien työtapaturmien tutkinnasta](#) (link to guidelines in Finnish), were issued for inspectors, describing procedures to investigate courses of action and reasons behind serious industrial accidents as well as possibilities to prevent the reoccurrence of similar incidents. The objective of the guidelines is to unify investigation procedures in Regional State Administrative Agencies' Occupational Safety and Health areas of responsibility and improve the transparency of investigations.

The enforcement act also requires doctors to notify Occupational Safety and Health Authorities when they have justified reason to suspect a case of occupational disease within the meaning of the Occupational Diseases Act or other work-related illness. The report form for occupational diseases and work-related illnesses has been updated, and this update has been widely communicated to doctors and inspectors. In future, the plan is to make the form electronic. Essential enforcement-related information is recorded into the Vera information system from the reports of suspected occupational diseases and other work-related illnesses submitted to Occupational Safety and Health Authorities. Guidelines for processing reports of occupational diseases and other work-related illnesses, [Ammattitautien ja muita työperäisiä sairauksia koskevien ilmoitusten käsittelystä](#) (link to guidelines in Finnish), were issued for inspectors in 2014. The guidelines describe the measures that Occupational Safety and Health Authorities must take upon receiving a report of a suspected occupational disease or other work-related illness. The objective of the measures is to prevent cases of exposure that can lead to similar diseases and to eliminate grievances from workplaces. The objective of the guidelines is to unify practices in this area of responsibility in the processing of

reports and to increase transparency in processing. Upon the arrival of the report, authorities are to verify that the given information is sufficient. A copy of the report is sent to the Finnish Institute of Occupational Health and the Department for Occupational Safety and Health at the Ministry of Social Affairs and Health. After that, the report is processed according to Occupational Safety and Health practices. Based on the report, authorities assess whether the case calls for further investigation through enforcement measures. If necessary, further information will be obtained from e.g. the workplace. The legality of the circumstances leading to the suspected occupational disease or other work-related illness is enforced when the consequences of the case correspond to a serious accident or when it is otherwise suspected that provisions within the authority of Occupational Safety and Health Authorities have been violated. Occupational Safety and Health decides on the commencement of enforcement measures. In principle, the decision must be made within two months of receiving the notification.

I

Amendments to the Occupational Safety and Health Act (738/2002):

396/2012 Amendment to regulation concerning personnel facilities

329/2013 Amendments to regulations concerning the identification and assessment of work-related risks, the education and guidance provided to employees, and the appointment of persons responsible for first aid and rescue.

364/2013 Amendment to regulations concerning the maintenance of a list of the duties of a self-employed constructor on a shared workplace and of occupational safety violations.

Amendments to the enforcement act (44/2006):

398/2012 Amendment to regulations concerning occupational safety cooperation on Finnish ships

603/2013 Amendment to regulations concerning monitoring the safety of technical appliances

1330/2014 Amendment to regulations concerning issuing advice and improvement notices

210/2015 Amendment to regulations concerning issuing advice and improvement notices

II-V

Nothing new to report.

Appendix 1: Operations of the Occupational Safety and Health Administration in numbers 2010-2013

VI

A copy of this report has been sent to the following labour market organisations:

The Confederation of Finnish Industries (EK)

The Central Organization of Finnish Trade Unions (SAK)

The Finnish Confederation of Professionals (STTK)

The Confederation of Unions for Professional and Managerial Staff in Finland (AKAVA)

The Commission for Local Authority Employers (KT)

The State Employer's Office (VTML)

The Federation of Finnish enterprises

Statements of the labour market organisations:

Joint statement by SAK and AKAVA

We refer to previous statements by SAK and Akava.

We would like to note that SLIC evaluated Finnish Occupational Safety and Health Authorities' operations in 2014.

The report indicates positive developments, but also highlights development areas. There is little cooperation between Occupational Safety and Health Authorities and other occupational safety and Health actors, such as occupational health care. The evaluation group found surprisingly little cooperation between Occupational Safety and Health Authorities and occupational health care particularly in inspections to businesses. According to the evaluation group, inspectors only very seldom referred to other occupational safety and health actors during the inspections. More efficient cooperation between Occupational Safety and Health Authorities and other players would benefit businesses. A higher level of compliance with occupational safety and health regulations could thus be achieved.

The Finnish Government stated to the evaluation group that on a general level, it is possible to increase cooperation with occupational health care providers in training, for example. Since it is an employer's duty to arrange and pay for occupational health care, direct cooperation between inspectors and occupational health care providers is not possible in matters concerning individual workplaces.

The SLIC evaluation group also highlights certain weaknesses in the VERA system, which has been developed for years. The system has not yet been fully deployed. The operating methods of the areas of responsibility in Occupational Safety and Health are still not uniform, and according to the evaluation group, the system is time-consuming.

The central organisations of trade unions wish to emphasise, however, that the evaluation group only evaluated the enforcement process for legislation in force.

There is no legislation in force in Finland that would enable the enforcement of occupational safety and health resources and skills which- are an employer's responsibility. Therefore, the EU framework directive's (391/89) obligation to confirm abilities and skills on a national level has not been implemented, and inspectors are not able to address the subject.

Various enforcement guidelines have been updated and developed recently. It is still lamentable that the monitoring and assessment of Occupational Safety and Health Authorities' operations is very difficult, as there are no detailed statistics in spite of the recommendation.

Appendix 1

Operations of the occupational safety and health administration in numbers

| | 2010 | 2011 | 2012 | 2013 |
|---|--------|--------|--------|--------|
| Workplace inspections (inspection carried out by visiting the workplace) | | | | |
| The number of workplace inspections | 20 072 | 22 283 | 22 500 | 22 340 |
| The number of targets of inspection | 14 162 | 15 983 | 18 700 | 20 741 |
| Time used for one inspection at the workplace, average number of hours | 2,0 | 1,6 | 1,6 | 1,5 |
| Written advice and improvement notices | | | | |
| Written advice | 37 337 | 38 376 | 42 450 | 49 667 |
| Improvement notices | 5 750 | 6 304 | 6 420 | 8 223 |
| Coercive measures | | | | |
| Prohibition notices issued by the OSH Division | 14 | 38 | 42 | 46 |
| Prohibition notices unconfirmed by the OSH Division | 8 | 9 | 2 | 16 |
| Binding decisions | 218 | 200 | 210 | 252 |
| The number of negligence fees concerning contractor's liability | 53 | 30 | 59 | 151 |
| Investigation requests and statements | | | | |
| Investigation requests to the police | 287 | 367 | 425 | 513 |
| Statements to the police/prosecutors | 710 | 805 | 855 | 797 |
| Demand for services | | | | |
| Client contacts/total volume of service demand | 56 087 | 52 905 | 60 200 | 61 947 |
| • matters concerning employment relationships | 9 254 | 30 359 | 30 900 | 32 732 |
| • matters concerning working conditions | 15 549 | 20 140 | 23 200 | 24 851 |
| • demand for other services | 1 284 | 2 405 | 6 100 | 5 103 |
| Inspections on request/number of inspections | 1 719 | 1 405 | 1 955 | 2 854 |
| Client-initiated training events, number | 224 | 208 | 222 | 178 |
| Investigation of occupational accidents and occupational diseases | | | | |
| Occupational accidents investigated | 725 | 731 | 740 | 979 |
| Occupational diseases investigated | 25 | 62 | 75 | 50 |
| OSH Divisions' licence administration | | | | |
| Asbestos licences | 36 | 35 | 21 | 35 |
| Exemptions related to working hours | 149 | 137 | 369 | 418 |
| Personnel (person-years) | | | | |
| OSH Department | 69 | 66 | 66 | 62 |
| OSH Divisions | 418 | 411 | 421 | 451 |
| Economy | | | | |
| Operating expenditure of OSH Department (1 000 euros) | 4 413 | 4 595 | 4 548 | 4 485 |
| • salaries and fees | 4 026 | 4 024 | 4 135 | 3 989 |
| • consumption expenditure | 387 | 570 | 412 | 496 |
| Operating expenditure of OSH Divisions (1 000 euros) | 24 543 | 24 237 | 26 157 | 27 987 |
| • salaries and fees | 21 181 | 20 980 | 22 363 | 25 049 |
| • consumption expenditure | 3 364 | 3 257 | 3 794 | 2 938 |

Appendix 2

SENIOR LABOUR INSPECTORS COMMITTEE (SLIC)

EVALUATION OF THE FINNISH SYSTEM OF LABOUR INSPECTION ON
OCCUPATIONAL SAFETY AND HEALTH