



**In 2019, the implementation of the Inspectorate SZW's 2019-2022 long-term plan got into gear. Having to account for this in an annual report as an Inspectorate feels slightly surrealistic in a period in which the COVID-19 crisis has a grip on society and the economy. The Inspectorate SZW fulfils its duties in a way that is in line with the other reality which has arisen in the inspection domain. The reporting process has been adjusted to register corona reports and to ensure that they are followed up correctly. Initially, this will be done via distant monitoring, with physical inspections when needed. Urgent industrial accidents and malpractice always demand on-site inspections or investigations. Programmes intensify alternative interventions. Active on-site inspections have been suspended, unless there is a reason to visit the premises. The Risk Inventory and Evaluation (RI&E) has been adjusted to the corona risk. Naturally, inspectors must be able to do their jobs safely. The Inspectorate is doing everything it can to safeguard its statutory duties and responsibilities as well as possible during the COVID-19 crisis.**

In 2019, the Inspectorate SZW continued working on the priorities set out in the 2019-2022 Long-Term Plan, such as focusing more on tackling unfair employment and labour exploitation. It also intensified the prevention of exposure to hazardous substances and it increased the number of collective inspections with other inspectorates at large chemical companies. The tackling of labour market discrimination has intensified and in the field of working conditions, the preventive approach is used more often.

In terms of the organisation and working method, the Inspectorate will be fleshing out the course of the long-term plan in 2019. Generally speaking, it concerns applying interventions other than inspections, aimed at achieving a higher effect. It also concerns information-driven practices and the Inspectorate works very closely together with external partners for a programmatic approach to the main risks in the labour market.

The additional tools made available to the Inspectorate under the coalition agreement make it possible to make considerable progress with the aforementioned priorities, on top of the regular inspection work. The influx of 172 new members of staff is a major factor in that respect. Many of the new employees are inspectors and investigators. In 2019, they completed internal training and some of them were already operationally employable in 2019; others will follow in 2020. Most of the additional members of staff, who will continue to join until 2023, will be deployed for fair employment and labour exploitation.

## Bigger efforts for the approach to fair employment and labour exploitation

Underpayment, illegal labour and labour exploitation are persistent problems which the Inspectorate wants to give priority to during this programme period. The Labour Exploitation programme meant that in 2019 more exploitation situations were stopped, rescuing victims from their awkward situation. An information centre has also been set up to quickly identify if reports about potential labour exploitation require an administrative process or criminal investigation.

Following reports of labour exploitation in 2019, intake interviews were held with 78 potential victims, 43 of whom ultimately reported the matter. These reports were then assessed by the Public Prosecution Service. In some cases, criminal prosecution was not possible and the Inspectorate opted for an administrative approach.

During the process of tackling rogue employment agencies, the offenders in question faced a combination of unannounced checks, re-inspections, management interviews and criminal investigations. Violations were identified in 41% of these inspections, mainly relating to illegal employment. In 2019, more than 2.2 million Euros in fines were imposed. One important point for attention concerns the notorious offenders who restart after receiving a fine; in 2019, they faced re-inspections and additional checks, aiming to stop their criminal activities.

For the Bogus Schemes programme, the investigation efforts in 2019 mainly focused on the platform economy, bogus self-employment, fraud by persons employed under someone else's identity (so-called lookalikes), misuse of internship after studies and PO box companies. Also, at the request of employers' and employees' organisations, the Inspectorate conducted 40 investigations into non-compliance with collective agreement provisions. Violations were discovered in sixteen cases. In collaboration with the Immigration and Naturalisation Service (IND), 176 investigations into possibly fictitious employment were conducted. In more than half of the cases, the IND rejected the application for the residence permit, based on the report of findings it received from the Inspectorate.

In other (sector) programmes too, attention for fair employment was unabatedly high in 2019. The Construction and Infrastructure programme, for instance, focused on the chain approach and addressing major contracting authorities (such as housing associations) who had to comply with the standard of fair employment when awarding contracts. The enforcement percentage for inspections in the greenhouse farming sector was at least 53% in 2019. In 2019, 97 companies in the beauty sector were inspected and in 25 cases, violations were identified in the fields of working hours, work permits and underpayment. In the category of nail studios in particular, the Inspectorate has indications that a group of companies may serve as a front for criminal or undermining activities.

In the case of the cleaning sector, special attention was paid to investigating several sub-sectors to get a good idea of the issues at play there. In 2019, the Inspectorate also started inspections into cleaning at hotels in Amsterdam, in the course of which many serious malpractices were discovered and dealt with. This was done in collaboration with the local authorities. In the healthcare sector, priority was given to inspecting home care companies to ensure they comply with the Dutch Minimum Wage and Minimum Holiday Allowance Act and working hours. Among 43% of the employers, violations were identified and warnings or fines were imposed. Re-inspections were conducted at a selected number of employers and in almost half of those cases, new violations were identified.

As a social theme, the problems at the bottom of the labour market were given the necessary attention in 2019. In its **'2019 Statement of Fair Employment'**, the Inspectorate presented the mechanisms that promote unfair but also unsafe and unhealthy employment, as identified by the Inspectorate. The Inspectorate's findings in the report mainly concern the options that employers have to enter into a wide range of all types of employment relationships, evading or undermining legislation and resulting in unfair competition. To improve the information about fair and unfair employment, the Inspectorate continued to work on the Monitor for fair employment in 2019. An interim result shows that during an a-select random check among 100 companies, one-quarter of the employers violated fair employment-related rules.

## Exposure to hazardous substances

In 2019, a specialist hazardous substances team was set up. Checks show that a lot of employers still do not pay enough attention to the exposure to hazardous substances. They do not have a clear picture of the hazards posed by these substances. The inspections work because during a second check, roughly twice as many employers proved to abide by the rules. The average number of carcinogenic, mutagenic and reprotoxic (CMR) substances used by these companies has also reduced, from 29 to 21. In 2019, the Inspectorate intensified its contribution to the collective checks and monitoring of large chemical companies (these are companies to which the Dutch Major Accidents (Risks) Decree 1999 applies); participation has risen from 60% in 2018 to 70% in 2019. This is done via the so-called Brzo+ alliance, whose members include the Inspectorate SZW and six environmental agencies, safety regions and the Public Prosecution Service.

The compliance percentage in the (certified) asbestos sector has risen from 63 to 74%. Identifying violations was hampered by the fact that some of the asbestos remediation companies stopped working as soon as the Inspectorate appeared on their radar. This means the actual compliance percentage is likely to be lower in reality. The Inspectorate has filed reports about companies that committed serious violations, prompting certifying agencies to suspend 13 companies. The certificate of one particular company was revoked.

## Labour (market) discrimination

In July 2019, a progress report entitled Labour Discrimination Action Plan (including an action plan for 2018-2021) was drawn up. The Inspectorate SZW has also imposed a compliance obligation in 70% of the inspections, mainly in relation to an incomplete Risk Inventory and Evaluation (RI&E) or providing insufficient information and instructions.

## More attention for healthy and safe employment with the emphasis on prevention

In 2019 too, the number of reports of serious industrial accidents went up. This affects the capacity available for active inspections. The increase in capacity needed for accident investigations and reports about healthy and safe employment was halted in 2019. Differentiated tackling of accident investigations was continued in 2019, with the aim of raising the safety level and awareness at companies where an industrial accident has taken place. The first results of a pilot are positive.

In 2019, the Inspectorate focused on intensifying compliance with the core obligations under the Dutch Working Conditions Act. At the end of 2019, the Inspectorate started conducting (written) checks among a group of approximately 400 companies regarding the completeness of the required RI&E. This was done under the Psychosocial Work Strain programme.

## Organisation and working method

Programmatic practices are now more firmly embedded in the organisation; 2019 has seen fewer (17) but at the same time also stronger programmes. The transition from realising the intended number of inspections to working on social effect was continued in 2019. Within the programmes, this requires a different thinking and working method; not only does the Inspectorate look at conducting inspections but it also looks at other interventions that no longer have any effect (depending on the target group, reasons for non-compliance and the situation). With that, choosing the most effective interventions is substantiated better based on behavioural science insights.

Apart from its regular inspections, during the Construction & Infrastructure programme, for instance, the Inspectorate worked on encouraging major contracting authorities to pay more attention to healthy, safe and fair employment when awarding contracts. The meat and fish-processing industry was subjected to a concentrated inspection approach (crackdown) within a limited area. In the catering and cleaning sectors, the Inspectorate is holding talks with start-up companies. In all programmes, customised use is made of the instrument in the form of campaigns (#daspaseerlijk) and an app to - for instance - check for hazardous substances.

## More collaboration with external parties

Because intensive collaboration with other parties is vital for a strong social effect, the collaboration with these stakeholders will be intensified at several levels in 2019. For instance, the Inspectorate has invested a lot in European collaboration by being closely involved in the official formation of the European Labour Authority (ELA). The collaboration with the Tax and Customs Administration was intensified with a view to exchanging data about bogus self-employment. Investigators have intensified their collaboration within Europol, the international police organisation of the European Union. The Inspectorate has its own liaison officer, who concentrates on increasing awareness of the Inspectorate SZW among national and international investigative services.

In the field of fair employment, the National Steering Group for Intervention Teams (LSI) and the Regional Information and Expertise Centres (RIECs) are important. In 2019, the LSI prepared a joint long-term plan for the years 2020-2023, which will generate projects aimed at bogus self-employment, bogus facilitators and the catering sector. Also within an LSI context, various earning models are being mapped out to visualise how bogus cleaning companies operate. Programmes that see a lot of collaboration with the RIECs include Catering and Retail, Employment Agencies and Labour Exploitation.

In 2019, programmes are also looking to collaborate with trade associations, employers' and employees' organisations, research institutes and private enforcement organisations. In the field of hazardous substances, the Inspectorate will invest in new knowledge by collaborating with the Netherlands Organisation for Applied Scientific Research (TNO) and the National Institute for Public Health and the Environment (RIVM). For the Agriculture and Green programme, the Inspectorate has joined an initiative of the Stigas knowledge institute. In the field of Construction and Infrastructure, the Inspectorate SZW and Bouwend Nederland (Dutch Construction and Infrastructure Federation) have conducted talks with several major contracting authorities and contractors about moral leadership in the construction industry.

## Information-driven practices

To raise information-driven practices to a higher level, in 2019, the Inspectorate worked on making both internal and external data sources accessible and usable. This has contributed to better support for inspectors when they carry out their duties. For example, they receive specific information via an app on their smartphone or tablet. It has also become easier for the inspectors to register information in the digital case file at the inspection site. Crucial work processes such as the registration and processing of reports and the process of imposing fines were supported in 2019 by information and digital resources that are easier to apply. To integrate information-driven practices correctly in all work processes, the Inspectorate SZW developed a plan in 2019 to plot the route (2022).

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