

**Grant Reference:**

**Project: “ID CARDS for Decent Work in the Construction Industry”**

funded through EEA and Norway Grants 2014-2021

under the program SOCIAL DIALOGUE – DECENT WORK

code **PA05/2020/510946**

# **Comparative study of the use of social identity cards in the construction sector in various European countries**

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**September 2021**

# CONTENTS

<b>Foreword.....</b>	<b>2</b>
<b>1. Introduction .....</b>	<b>6</b>
<b>2. Overview of social ID cards in a European context.....</b>	<b>8</b>
<b>3. Social ID cards – case studies.....</b>	<b>16</b>
3.1 BELGIUM.....	17
3.2 FINLAND .....	22
3.3 FRANCE .....	26
3.4 ICELAND .....	31
3.5 ITALY .....	36
3.6 LITHUANIA.....	40
3.7 LUXEMBOURG.....	43
3.8 NETHERLANDS.....	47
3.9 NORWAY .....	51
3.10 SPAIN .....	56
3.11 SWEDEN .....	60
<b>4. Comparative analysis of social ID cards: differences and similarities.....</b>	<b>65</b>
4.1 Purposes and objectives of social ID cards .....	67
4.2 Characteristics of the social ID cards .....	67
4.3 Target groups and organisations involved .....	69
4.4 Resources and costs.....	70
4.5 Outcomes.....	70
<b>5. Legal issues related to the implementation of social ID cards.....</b>	<b>72</b>
<b>6. Potential impact of social ID cards in construction sector in Romania.....</b>	<b>76</b>
<b>7. Conclusions and recommendations for a Romanian social ID card .....</b>	<b>88</b>
7.1 Purposes and objectives .....	88
7.2 Characteristics of the Romanian social ID card .....	89
7.3 Target groups and organisations involved .....	93
7.4 Resources and costs.....	94
7.5 Outcomes.....	95
<b>List of tables and figures .....</b>	<b>96</b>
<b>Appendix.....</b>	<b>97</b>

## Foreword

The aim of this report is to compare social identity (ID) card schemes in the construction sector in different European countries to make recommendations for the design of a social ID card scheme in the construction sector in Romania. Social ID cards provide information on the employer and employee to confirm if workers on a construction site should be on the site or not as well as other information about the worker (e.g., health and safety certificates, training successfully undertaken, driver licences). To understand social ID cards, it is useful to view them as a certification tool for a worker containing visible and secure electronic information. They are an example of the use information and communication technologies (ICTs).

This report evaluates in detail the social ID card schemes in 11 European countries, namely: Belgium, Finland, France, Iceland, Italy, Lithuania, Luxembourg, the Netherlands, Norway, Spain, and Sweden.

### Comparative evaluation of social ID cards in Europe

#### *Purposes and objectives of social ID cards*

All the social ID cards reviewed are used as a tool for worker identification and nearly all for the purpose detecting and preventing undeclared work. Increasingly, however, they are also used for a wider range of purposes. On the one hand, they are a means of recording and storing key information. This includes recording vocational training, educational qualifications, and work experience in the sector. On the other hand, they can be used as an electronic key to gain access to a construction site which has electronically controlled access and can also act as a “stamping machine” to not only ensure that people sign in and out, but also to record working hours spent on the construction site.

#### *Characteristics of social ID cards*

*Mandatory/optional.* In many countries, social ID cards have commenced as voluntary initiatives organised by social partners, and often small-scale (e.g., Belgium, Finland, Sweden), and have then transitioned over time into mandatory universal initiatives, often with a legal basis. Sometimes limitations are put on the construction sites to which they apply. Often home maintenance and repair are excluded (e.g., Finland) and on commercial building sites, ID cards are sometimes not compulsory on some sites, such as low-value construction projects.

*Technical solution.* In early versions of social ID cards, some were simple paper-based identity cards with a picture of the worker, and the name of the worker and employer. Increasingly, however, they have become digital cards with electronic RFID data transmission chips that enable a wide range of information to be collected and stored on the card. Across a number of countries, the cards also possess fraud-resistant technologies ranging from watermarks, through ID chips to holograms.

*Issuer.* There has been a tendency over time towards the centralisation of issuance of social ID cards, as cards have become mandatory.

*Information collected/stored.* The information collected/stored on ID cards varies between countries. Some store only minimal information whilst others are more comprehensive in the data stored and collected. The trend over time, nevertheless, is towards using social ID cards to collect and store an ever-wider range of information.

*Legal basis.* As ID cards have shifted from being voluntary initiatives organised by social partners towards mandatory initiatives, there has been a shift in the legal basis of social ID cards away from social partner agreements and collective agreements, and towards the use of legislative initiatives.

*Institutions/organizations with access to data.* Usually, it has been the inspectors of nominated enforcement authorities alone who can compare the data and information on the cards with wider registries of employment, business, etc. Even when social partners have been inspectors of social ID cards (e.g., Iceland), these inspectors send the information stated on ID cards to the public authorities, which then check the employer and/or the employees. As social ID cards have shifted in many countries away from voluntary to mandatory initiatives, there has been a shift away from social partners being solely responsible and towards the greater involvement of public authorities.

*Target groups and organisations involved.* Although the target groups are normally construction workers and construction sites, the breadth with which a construction worker and construction site is defined varies between countries. Some countries adopt more all-inclusive definitions of which construction workers and construction sites are included than others.

*Resources and costs.* Where information is available, they are presented in this study. Although in most countries, the employer remains ultimately responsible for the costs of introducing and supplying social ID cards, in some exceptional cases (e.g., Norway), it is government that shoulders the costs of social ID cards. In many countries, a paritarian organization is created to operate social ID card systems, such as fbz-fse Constructiv in Belgium and ID06 AB in Sweden.

*Outcomes.* Until now, there has little post-hoc formal evaluation of the outcomes of the use of social ID cards. For example, no detailed evaluations have been conducted of the impact of social ID cards on preventing undeclared work in any country introducing these cards.

Based on this review, the following recommendations are made regarding the implementation of a social ID card scheme in Romania.

## **Recommendations for a Romanian social ID card**

### *Purposes and objectives*

The core function of a Romanian social ID card is as a worker identity card and tool for detecting and preventing undeclared work by acting as a means of identifying workers during inspections and checks. Reflecting the trends in social ID cards in the rest of Europe, however, it is also proposed that the Romanian social ID card could be a tool for:

- identifying people and employers on a construction site;
- recording professional and vocational training in the construction sector, and which can be updated, available and accessible at any moment;
- recording occupational health and safety training;
- recording sectoral work experience;
- gaining electronically controlled access to construction sites with electronic gates;
- acting as a “stamping machine” to enable people to sign in and out, and to record working hours spent on the construction site.

### *Characteristics of the Romanian social ID card*

*Mandatory/optional.* The card should be mandatory. In the first stage, the card would be compulsory on the given construction sites included in a pilot study, with the main constructor deciding on this requirement. A second stage could be the compulsory use of the ID card in the tender specifications for specific construction projects (e.g., major public works projects). Following this, a larger scale implementation at the national level could occur. This could include a legislative initiative to make social ID cards mandatory on construction sites.

*Technical solution.* It is recommended in Romania that digital cards are used with electronic RFID data transmission chips that enable a wide range of information to be collected and stored on the card.

*Issuer.* A SASeC (Self-Regulatory System in Construction) paritarian organisation could oversee the social ID card scheme bringing together the various paritarian houses currently operating in this sector. There is also the need for involvement of a range of public authorities in the design and implementation of the social ID card scheme, including the Ministry of Labour, Ministry of Education, Labour Inspectorate, Ministry of Development, ANAF and the National Authority for Qualifications. All these institutions are partners who need to be involved in the design and implementation of the social ID card scheme. The SASeC General Secretariat would therefore be the organisation with legal responsibility for the card. This organisation might employ an organisation to create an IT system to store the required data as well as produce and disseminate the card. This should be an organisation with experience in dealing with the privacy and data protection issues involved in producing identity cards. All such producers, nevertheless, must be able to issue a card which contains some mechanism to prevent fraud, such as a watermark.

*Information collected/stored.* The information collected and stored on any Romanian social ID card can increase over time, like other countries. The data would include information such as the name of the worker, their nationality and the country in which they reside, their ID number, the name of the organisation issuing the card, the valid dates of the card, the logo of both SASeC as well as the issuing organisation, the present employer, whether the workers possesses a residence permit and whether this is permanent or temporary, the benefits they receive (e.g., winter social allowances), the vocational accredited skills they possess and the training successfully undertaken, including the occupational safety and health (OSH) training completed. The invisible content would include a scan of their national ID card that includes information on their ID number, their home address, gender, etc.

*Legal basis.* In the first instance, a social partner or collective agreement can be used as the basis for the social ID card (see Appendix of this report for an example of such an agreement from Iceland). However, as the ID cards shifts from being a voluntary initiative organised by social partners towards a mandatory initiative, there will be a shift in the legal basis of the social ID card away from a social partner agreement and collective agreement, and towards the use of a legislative initiative (again see Appendix of this report for an example).

*Institutions/organizations with access to data.* Prior to receiving their ID card, the worker would have to provide written informed consent for their data to be used. The IT organisation employed would be charged with ensuring data security and through their collaboration with SASeC Main Server, responsibility for the database. The information collated might cover their accredited certification of their qualifications, evaluations conducted of their work, copies of the ID card and so forth. Through the digitalised ID card, the profile of the worker could be analysed online via the SASeC database. Access to such personal data would be confined to the worker, the SASeC administrator and anybody given permission to access the information by the worker. Gaining access could be via either a staffed call centre or via an SMS messaging service. The Builder Vocational Training School (CMC) could be made responsible for all checks and validations of the dataset. Online access could also be provided to the Labour Inspectorate, police, border police, etc. Employees must present a valid ID card upon inspection. Decisions are required on who could conduct inspections of cards. One option is to follow the Icelandic example so that social partners could act as inspectors. Alternatively, the list of public authorities and contractors entitled to check ID card details need to be denoted. A penalty system also needs to be established for those who do not display their ID cards. This needs to be discussed and agreed by the range of social partners and the public authorities.

*Target groups and organizations involved.* The definitions of which construction workers and construction sites are included should be all-inclusive in the first instance and then a “test, learn and adapt” approach adopted that would exclude specific groups when deemed appropriate during the pilot phase. The only exemption could be personal home dwelling sites where a house is being constructed for their own use and inhabitation and not for commercial profit. In the initial stage, the SASeC paritarian body could be the responsible actor for handling and controlling the system including the social ID card, regulated by a sectorial social agreement. Over time, as the ID card shifts to a mandatory

initiative based on a legislative act, responsibility could shift to a public authority (e.g., Labour Inspectorate).

*Resources and costs.* The SASec paritarian organisation could request contributions from employers for the cost of issuing the ID card.

*Outcomes.* To estimate the impact on the Romanian economy of social ID cards reducing undeclared work, the following statistical calculation can be made. Gross value added (GVA) was €51,843.40 million in March of 2021 in Romania, according to Eurostat. Therefore, if undeclared work in the construction sector was tackled, this would equate to some €4,665 million being transferred from the undeclared to the declared economy.

Author

Sheffield, September 2021

# 1. Introduction

The aim of this study is to provide a comparative analysis of the use of ID cards in the construction industry in different European countries. The objectives are to provide:

- an overview of the institutional and legal framework that allowed the introduction and use of the ID card in each country to identify the best ways forward in Romania;
- an analysis of the implemented technical solutions in managing the workers' personally identifiable information (social card beneficiaries);
- a comparative assessment between the use of the social card and the stated purposes;
- a statistical analysis using the provided public data related to undeclared work and its impact on the national budget.

To conduct this study, mainly desk research has been used. No primary data has been collected. Currently available data on social cards in the construction field has been used (e.g., reports, case studies, good practice guides, statistics). To do so, the following sources of documentation have been consulted<sup>1</sup>:

- European Construction Industry Federation (FIEC)
- European Federation of Building and Woodworkers (EFBWW)
- European Trade Union Confederation (ETUC)
- European Foundation for the Improvement of Living and Working Conditions (EUROFOUND)
- European Commission
- European Platform tackling undeclared work
- Government and social partners websites (ministries, agencies with responsibilities in the field of labour market, national social partners). This type of source has been used if the information of interest is presented in an international circulation language
- Scientific literature in the field of social cards
- Views/reports/information provided by professional, employer, and trade union organizations in the respective countries

The study is structured as follows:

Section 2 provides a brief overview of social ID cards in a European context.

Section 3 then analyses the use of social ID cards in each of the 11 countries, namely: Belgium, Finland, France, Iceland, Italy, Lithuania, Luxembourg, the Netherlands, Norway, Spain, and Sweden. In each case, the following information is reported (where available to the wide public):

- background context driving the implementation of the measure and the year from which it became applicable;
- the purpose and the objectives of implementing the measure;
- description of the measure, including mandatory/optional, technical solution (simple card, chip card, mobile application, etc.), issuer, information collected/stored, legal basis, institutions/organizations with access to data, validity, etc.);
- target groups and organisations involved;
- resources needed to implement the measure; however, it should be noted that although all information in the public realm that is accessible has been included, little evidence is available on this issue;
- outcomes, including percentage of use, impact on work without legal forms, etc. However, it should again be noted that although all information in the public realm that is accessible has

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<sup>1</sup> The collected information is as up to date as possible, and the latest publicly available data is reported.

been included, little evidence is available. This is also the case with other policy measures seeking to prevent undeclared work. On social ID cards, as will be seen in this report, nearly no evidence is available on the percentage use, the impact of these cards on undeclared work, etc.<sup>2</sup>

Section 4 provides a synthesis by conducting a comparative analysis of the use of social ID cards in these 11 countries. This examines the similarities and differences in the use of social ID cards.

In section 5, an examination is then provided of the legal issues related to the implementation of social ID cards.

Section 6 provides by an assessment of the potential impact of the introduction of a social ID card in the construction sector in Romania.

Section 7 then draws together some conclusions and makes recommendations on the design of a social ID card in Romania.

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<sup>2</sup> Author's note: Although at the time of writing, the final decision on which policy measures to evaluate has not been taken for the European Commission project VT/2021/008 (and the final decision is unlikely to be taken before 2022), a proposal has been made to undertake an in-depth detailed evaluation of the effectiveness of the social ID card in preventing undeclared work in one EU member state. If this is undertaken, it will provide much needed new evidence on the effectiveness of social ID cards in preventing undeclared work.



## 2. Overview of social ID cards in a European context

In a report<sup>3</sup> done 2015 on social identity cards in the construction sector across Europe, social identity cards are defined as:

*“An individualized worker certification tool which contains visible and safely stored electronic data that aims to attest that specific social and/or other (e.g., professional qualifications, OSH training, social protection/security issues) requirements have been met by the worker’s employer and/or the worker him/herself”.*

This working definition is used in this report. However, other simpler definitions exist that do not specify the functions and/or information stored. In Iceland, the 2010 legislative act on Workplace ID Cards and Workplace Inspection No. 42/2010<sup>4</sup> defines “workplace ID cards” as cards that an employer prepares with information about the employer and employee. If an employee from an employment agency is involved, the name of the employment agency shall be specified instead of the employers.

What, therefore, is the function of social ID cards? Their fundamental purpose is to assess whether a worker on a construction site should be there. This helps improve the detection of undeclared work. They can also be used for other purposes, including:

- to identify workers and record working time (i.e., as a worker ID card);
- to record and certify occupational safety and health (OSH) training;
- to record and certify accredited training and qualifications;
- to document work experience;
- to control access to sites;
- to aid the prevention or detection of undeclared work.

In each country using social ID cards, they are used for some of these functions and not others.

At the outset, it is crucial to understand that an identity card scheme is one of the multifarious policy tools that can be used in combination with other policy measures for registering and monitoring workers on construction sites, recording information about them and preventing and detecting fraud and abuse, including undeclared work. Indeed, identity cards are not a substitute for workplace inspections. Instead, they are complementary. Social ID cards make more efficient the conduct of physical workplace inspections. This means that social ID cards must be “readable” by inspectors during workplace inspections and connected to up-to-date databases so that the worker can be verified. In consequence, a social ID card is only effective if there exist accessible databases that inspectors can access in the field to verify the status of workers.

The effectiveness of a social ID card scheme therefore depends not only on the design of the social ID card itself but also the wider databases on which inspectors rely to verify the information on the card. It is not simply the case, therefore, that replicating the design of an effective social ID card in one country in another country (e.g., Romania) will result in the same level of effectiveness in the new country. It depends on these other factors such as whether there are up-to-date databases accessible by inspectors either immediately prior to, or during, physical workplace inspections (e.g., the Revisal employment register in Romania) and the inter-operability of data collected for a social ID scheme with these broader registers.

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<sup>3</sup> Briganti et al, 2015, pp. 1

<sup>4</sup> Act on Workplace ID Cards and Workplace Inspection no. 42/2010, pp. 1

Indeed, examining social ID cards across Europe<sup>5</sup>, it can be noted that:

“Since all schemes have been (or are being) developed following the specific needs linked to specific national contexts, they all have different features and respond to national priorities, according to the national situations.”

Nevertheless, what is common identity card schemes in different countries is that they are either created by sectoral social partners or are developed in close cooperation with sectoral social partners.

The reason that they are so popular in the construction industry is due to the unique characteristics of the construction industry. These include: the fact that worksites are often temporary; the long sub-contracting supply chains; the excessive level of work accidents compared with other sectors, and the high prevalence of undeclared work. All these features:

- make the introduction of identity cards useful as a complementary tool to enhance detection of non-compliance on worksites;
- justify the need for the use of social ID cards to enable knowledge of who is on a construction site and the establishment of a dataset to enable this to occur.

To understand the adoption of social ID cards in a European context, it is useful to view them as a tool for certifying workers possessing visible information and electronic data. As such, it is an example of the use information and communication technologies (ICTs).

A particular trend that is relevant in the context of social ID cards is the shift towards regulatory simplification across the European Union and the adoption of “smart instruments” and e-governance, such as cards possessing electronic data, and so forth.

In 2010, “Europe 2020 - A strategy for smart, sustainable and inclusive growth” was adopted by the European Council as an economic strategy<sup>6</sup>. This had three priorities:

- **Smart Growth**, meaning economies grounded in knowledge and innovation.
- **Sustainable Growth**, grounded in a low-carbon competitive economy; and
- **Inclusive Growth**, meaning social and spatial inclusion through increasing employment participation rates<sup>7</sup>.

To achieve these priorities, seven major initiatives have been pursued.

To achieve **Smart, Sustainable and Inclusive Growth**, the **Digital Agenda for Europe** is one of these core initiatives. It seeks to use Information and Communication Technologies (ICT) to develop the European economy.

The main initiatives have been the Digital Single Market<sup>8</sup> and the **eGovernment Action Plan 2016-2020**.<sup>9</sup> The latter plan seeks to promote the digitalisation of government authorities. In February 2020, a new **digital strategy** was adopted<sup>10</sup> followed in 2021 by a ten-year **2030 Digital Compass roadmap**<sup>11</sup>, which includes the development of accessible and human-centric digital public services and administration and by 2030, 100% online provision of key public services for European citizens and businesses. Through advanced technological tools:

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<sup>5</sup> Briganti et al, 2015, pp. 5

<sup>6</sup> European Commission, 2010

<sup>7</sup> European Commission, 2018

<sup>8</sup> European Commission Strategy, Priorities 2019-2024, A Europe Fit for Digital Age

<sup>9</sup> European Commission, Digital Single Market, Action Plan 2016-2020, Accelerating digital transformation

<sup>10</sup> European Commission Strategy, Priorities 2019-2024, A Europe Fit for Digital Age

<sup>11</sup> European Commission Strategy, Priorities 2019-2024, A Europe fit for the digital age, Europe’s Digital Decade: digital targets for 2030

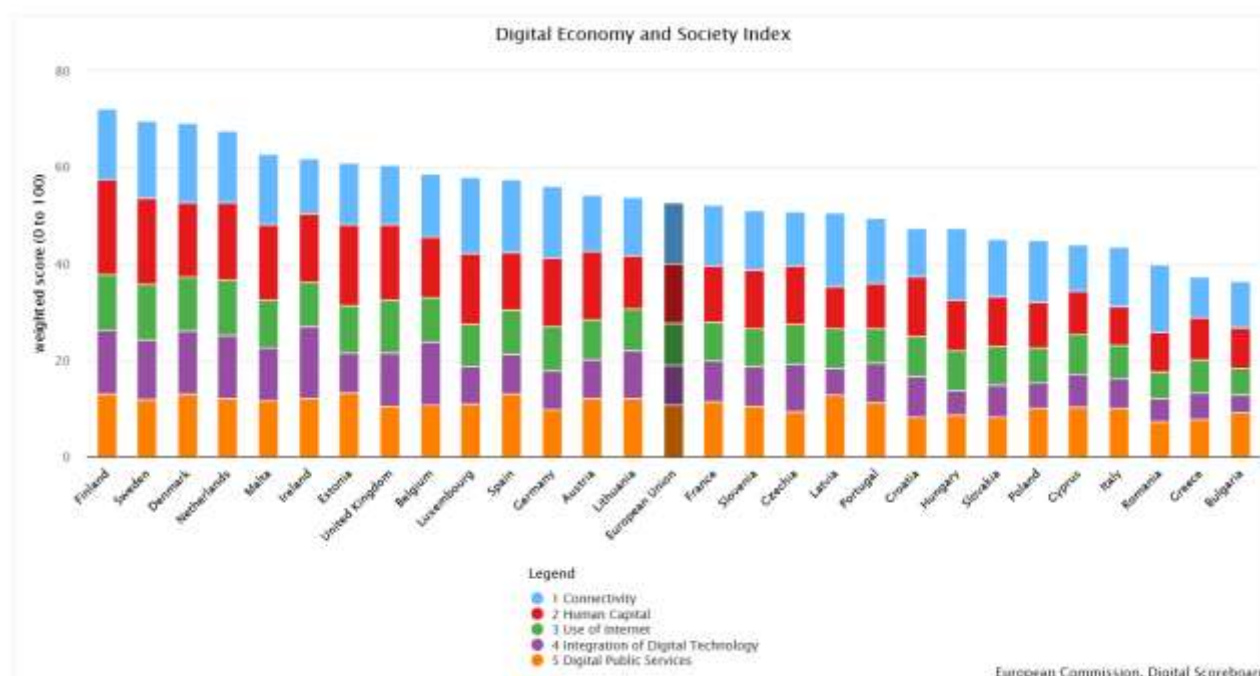
“E-government aims at improving the relationship between people and their government ... making public services delivery more effective, accessible and responsive to people’s needs... increasing participation in decision making and making public institutions more transparent and accountable.<sup>12</sup>”

To measure progress in the adoption of digital technologies, the European Commission has developed the **Digital Economy and Society Index (DESI)**<sup>13</sup>. This index is a result of weighting five main variables:

“1 - Connectivity (25%), 2 - Human Capital (25%), 3 - Use of Internet (15%), 4 - Integration of Digital Technology (20%) and 5 - Digital Public Services (15%).”

A score from 0 minimum to 100 maximum is allocated. Fig. 1 displays the results for the overall DESI index in 2020. Romania has the 3<sup>rd</sup> worst score, showing that there is a need for new digital technology initiatives, such as a social ID card.

**Fig. 1 - Digital Economy and Society Index, 2020: by member state**



Source: DESI Composite Index 2020<sup>14</sup>

Four key enablers of online service provision and availability are identified in the DESI<sup>15</sup>:

- “Electronic Identification (eID) a government-issued document for online identification and authentication.
- eDocuments: a document that has been authenticated by its issuer using any means recognised under applicable national law, specifically using electronic signatures, (i.e., not a regular PDF or Word document).

<sup>12</sup> UNDESA, 2016

<sup>13</sup> European Commission, Digital Strategy, The Digital Economy and Society Index,

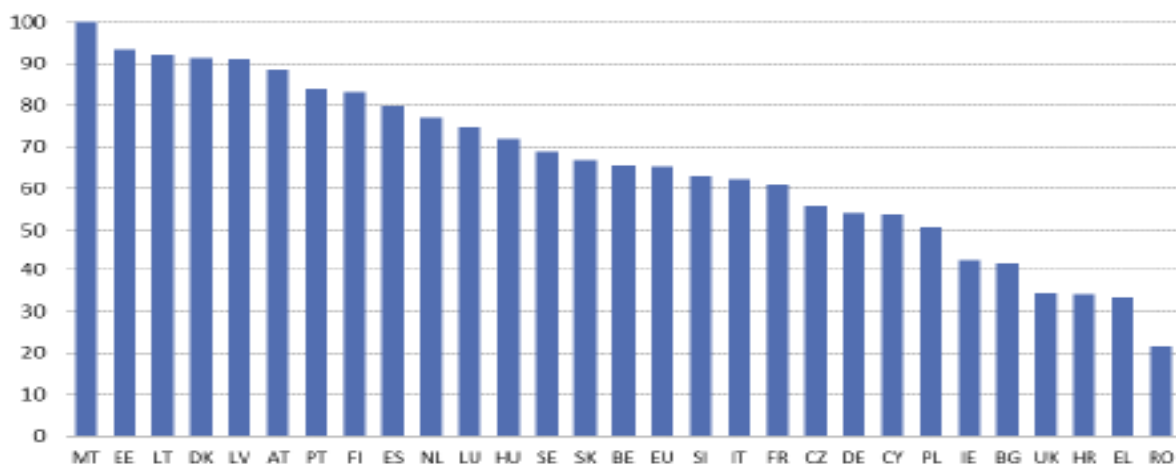
<sup>14</sup> European Commission, Digital Agenda, DESI Composite Index

<sup>15</sup> European Commission, 2020

- Authentic sources (named as pre-filled forms in DESI): base registries used by governments to automatically validate or retrieve data related to individuals or businesses.
- Digital post: assesses whether public authorities allow people to receive communications digitally only, hence reducing paper mailings. Digital post refers to the possibility for governments to communicate with people or entrepreneurs by electronic means only, such as through personal electronic mailboxes.” (European Commission, 2020a).

Assessing progress in the EU member states, the Electronic Identification (eID) indicator is 61 in 2019 the eDocuments indicator is 71; the authentic sources indicator is 59.4, and the digital post indicator is 72.6. As Figure 2 displays, in 2019, **Romania** is far behind other member states and is ranked last.<sup>16</sup>

**Fig. 2 - Key enablers of digital technologies: progress in Member States (Score 0 to 100), 2019**



Source: European Commission, Digital Agenda, Digital Economy and Society Index

The development social ID cards to raise the low performance of Romania on digital transformation is important. One major reason for this is because there is a strong relationship between the magnitude of undeclared work and adoption of digital technologies.

Numerous studies find that digital technologies could limit the scope of undeclared work<sup>17</sup>. Two exploratory studies have also suggested that this relationship between digital technologies and undeclared work exists in Central and Eastern Europe<sup>18</sup>.

**Undeclared work** here refers to:

“any paid activities that are lawful as regards their nature but not declared to public authorities, taking account of differences in the regulatory systems of the Member States”<sup>19</sup>

Member States use varying definitions, but all include non-compliance with either tax, labour and/or social security legislation or regulations.<sup>20</sup>

If a paid activity is non-compliant in other ways, it is not classified as undeclared work:

<sup>16</sup> European Commission, Digital Agenda, Digital Economy and Society Index

<sup>17</sup> Chacaltana et al., 2018; Elbahnasawy, 2021; Goel and Saunoris, 2016; Remeikiene and Gaspareniene, 2016; Rohman and Veiga, 2017; Son et al., 2017; Uyar et al., 2021; Veiga and Ibrahim, 2017

<sup>18</sup> Bayar, 2016; Zait and Horodnic, 2021

<sup>19</sup> European Commission, 2007

<sup>20</sup> For the definitions used in Member States, see <http://ec.europa.eu/social/main.jsp?catId=1322&langId=en>

“If the goods and services provided are unlawful (e.g., the production or trafficking of drugs, firearms, persons, or money laundering forbidden by law), it is part of the wider criminal economy i.e., the **shadow economy** (often defined as including both the undeclared economy and the criminal economy).”<sup>21</sup>

Figures 3 and 4 displays the relationship between digital technology adoption, measured by DESI and the prevalence of undeclared work and the shadow economy across the EU. This reveals that there is strong statistically significant correlation.

Figure 3 examines undeclared work as a proportion of total labour input and reveals that the countries with a low level of adoption of digital technologies, measured by the DESI, have significantly higher levels of undeclared work as a percentage of total labour input.<sup>22</sup> Indeed, Romania has the 3<sup>rd</sup> lowest level of adoption of digital technologies and the 3<sup>rd</sup> highest level of undeclared work at 18.9% of total private sector labour input.

**Fig. 3 – Relationship between undeclared work (% of labour input) and DESI**



Source: data extracted from Williams et al., 2017

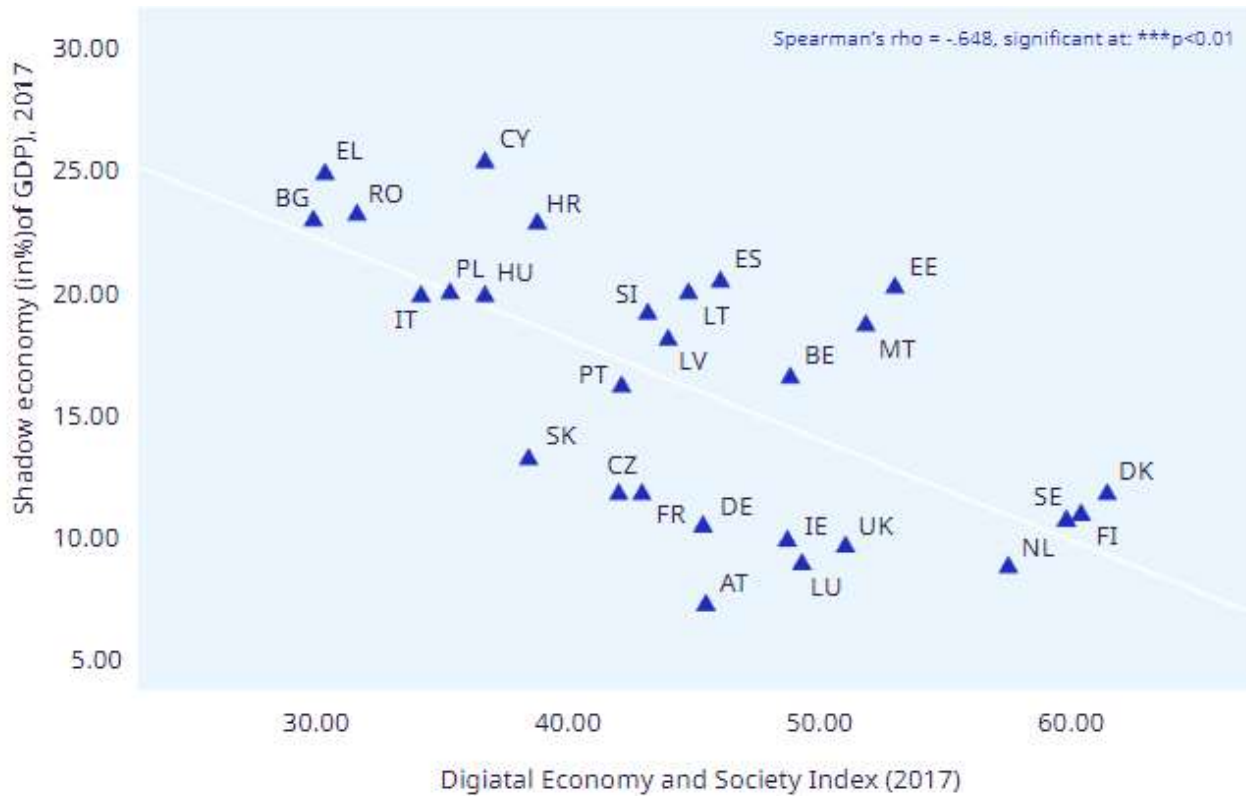
Figure 4 examines the relationship between the adoption of digital technologies and the size of the shadow economy and reveals that the countries with a low level of adoption of digital technologies, measured by the DESI, have significantly large shadow economies.<sup>23</sup> Indeed, Romania has the 3<sup>rd</sup> lowest level of adoption of digital technologies and the 3<sup>rd</sup> largest shadow economy in the EU.

<sup>21</sup> European Platform Tackling Undeclared Work, 2017

<sup>22</sup> Williams et al, 2017, pp. 13

<sup>23</sup> Medina and Schneider, 2019

**Fig. 4 – Relationship between shadow economy (% of GDP) and DESI**



Source: data extracted from Medina and Schneider, 2019

In consequence, the development of a digital social ID card is one way of **Romania** moving out of its current low EU ranking on the adoption of digital technologies and digital modernisation. The development of a social ID card would provide Romania with a tool for certifying workers that possesses electronic data. Put another way, it is an innovative, information-intensive, and connectivity-based tool.

Examining surveys conducted of the prevalence of social ID cards in Europe, the first known study was conducted in 2010 as a component of the feasibility study for a European Platform tackling Undeclared Work.<sup>24</sup> This found that two-thirds of European countries had some form of workplace identity cards and 70% of the experts interviewed in 2010 viewed them as an effective tool, with the remaining 30% delineating identity cards as neither effective nor ineffective and none viewing the tool as not effective<sup>25</sup>.

A 2017 survey of national representatives on the European Platform tackling undeclared work, meanwhile, revealed that 48% of the 23 European countries responding had mandatory workplace ID cards. However, this adoption of mandatory ID cards in the workplace was not evenly distributed geographically. 71% of Western European countries responding had done so, 67% of Nordic nations, but only 44% of East-Central European countries and no Southern European countries.<sup>26</sup>

How, therefore, can this be achieved? In the next chapter, a review is undertaken of the use of social ID cards in other countries to understand the possibilities for a social ID card in Romania.

<sup>24</sup> European Commission, Employment, Social Affairs & Inclusion Platform

<sup>25</sup> Dekker et al, 2010

<sup>26</sup> Williams and Puts, 2017



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### 3. Social ID cards – case studies

This chapter analyses the use of social ID cards in 11 countries, namely: Belgium, Finland, France, Iceland, Italy, Lithuania, Luxembourg, the Netherlands, Norway, Spain, and Sweden. In each case, the following information is presented (where available):



- Background context driving the implementation of the measure, the year from which it became applicable;
- The purpose and the objectives of implementing the measure;
- Description of the measure, including mandatory/optional, technical solution (simple card, chip card, mobile application, etc.), issuer, information collected/stored, legal basis, institutions/organizations with access to data, validity, etc.);
- Target groups and organisations involved;
- Resources needed to implement the measure, financial instruments, costs;
- Outcomes (including percentage of use, impact on work without legal forms, etc).

This in-depth evaluation of the design of social ID cards **draws heavily for some of the countries on the earlier comprehensive review by Briganti et al (2015). Desk research has then been undertaken of the sources stated in Section 1<sup>27</sup> to incorporate the latest publicly available data and ensure the provided data is as updated as possible with sources and dates cited.** This earlier study by Briganti et al (2015) did not review Iceland or Norway, which are here also included. This comprehensive review of these 11 countries will then enable a comparative evaluation of the similarities and differences in the use of social ID cards to be undertaken in the next section.

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<sup>27</sup> Briganti et al, 2015, pp. 6-7

### 3.1 BELGIUM

	<p><b>Description</b></p> 
<p><b>Background context</b></p>	<p>According to the 2019 Eurobarometer Survey no. 498 on undeclared work, 24% of all undeclared work in Belgium is in the repairs and renovations sector.<sup>28</sup> Therefore, to tackle undeclared work in this country, it is essential to address undeclared work in construction activities.</p> <p>Belgium has long used ID cards in the construction sector and social partners have conducted multifarious experiments<sup>29</sup>. Between 1990 and 1994, a card was issued to tackle social fraud. This experiment was undertaken in cooperation with the National Social Security Office (NSSO) and was considered effective in addressing social fraud.</p> <p>From 1995 until 1998, there was another social ID card type A, again a visual identification to tackle undeclared work. The experiment was once more conducted in cooperation with the NSSO.</p> <p>In 1999, a further card, the Nominative Unemployment Benefit Card C 3.2 A, was created in cooperation with the National Office of Unemployment.</p> <p>From August 2013, an experimental test was conducted on 8 construction sites by social partners. Following this, a <b>ConstruBadge</b> was created on 15 September 2014. The Belgian social partners in the construction sector created the Social Security Fund of the Construction Industry, <b>fbz-fse Constructiv</b>, and made them responsible for the creation and implementation of this badge in construction workplaces.</p>
<p><b>Purpose and objectives</b></p>	<p>The aim of the ConstruBadge is to visually check construction workers visually to fight against social fraud. Construbadge can be used to facilitate the registration of construction workers on site.</p>
<p><b>Description of the measure</b></p>	<p><i>Mandatory/optional</i></p> <p>Optional. The ConstruBadge is still not mandatory. Nevertheless, construction sector social partners are seeking national legislation to impose the mandatory use of a social ID card identification tool. If they are successful, the ConstruBadge will become a mandatory instrument.</p>

<sup>28</sup> EFBWW and FIEC, 2020

<sup>29</sup> Briganti et al, 2015, pp. 13

In addition to the Construbadge, there has been the introduction of Checkin@Work<sup>30</sup>. Checkin@Work<sup>31</sup> is an online service to register presence at work in firms that fall under the joint committee of the construction sector. Via this system, employers and contractors register the presence of their employees, their subcontractors, and their self-employed subcontractors **daily. Registration using Checkin@Work is mandatory for construction sites with a total cost equal to or higher than €500,000 excl. VAT.**

Attendance recording (Checkin@work) on arrival at the worksite has been made mandatory since 1 April 2014. Checkin@Work tackles undeclared work by recording who is on a worksite, the times they are there, who they work for and their employment status. This enables targeted inspections to be made. The main contractor is responsible for Checkin@work. It must inform its subcontractors that attendance recording is mandatory and ensure that they check in correctly. The NSSO helps by sending an email in advance, in which they indicate whether a certain worksite meets all the conditions about attendance recording. The following information must be collected:

- Employee personal data (National Register Number, BIS Number or L1 Limosa Number)
- Location of the worksite (via code entered in the Declaration of Works under 30a)
- Employer identification data (Company Number)
- Check-in date (not the time)

Checkin@Work can be done either using smartphones or a laptop. Those failing to register receive a sanction equivalent to 5% of the work's value that is undertaken. This figure is calculated for the value of the contract between the contractor and subcontractor. For sub-contractors who have social security payments owing, 35% of the value of the payment is deducted and given to the NSSO.

#### *Technical solution*

Chip card. The Belgian identity card identifies workers using both visual information with a photo as well as digital information using an electronic chip and an RFID-antenna. Counterfeiting is difficult.

#### *Issuer*

A construction worker who is registered with the NSSO automatically receives a ConstruBadge from fbz-fse Constructiv. This means that they do not have to apply for it.

The issuance of the ConstruBadge is automatic<sup>32</sup>. When a Belgian worker appears in the DmfA<sup>33</sup> or Dimona<sup>34</sup> data, the workers photograph is automatically received via the National Register of eID. Fbz-fse Constructiv collect the data and send it to Syx Graphics<sup>35</sup> on a secure webservice. Automatic automated checks are employed at each stage. Syx Graphics uses a specialised ink, as well as a

<sup>30</sup> An animated film about Checkin@Work is at: <https://www.youtube.com/watch?v=tDITwS4wDQQ>

<sup>31</sup> Constructiv site, about Construbadge and Checkin@work

<sup>32</sup> Briganti et al, 2015, pp. 11

<sup>33</sup> DmfA = quarterly declarations of wages and activity of domestic workers by the employers

<sup>34</sup> Dimona = daily declarations of IN/OUT of domestic workers by employers

<sup>35</sup> Syx Graphics is the largest provider of plastic cards and card services in Belgium

hologram top prevent fraudulent replication and high-level encryption. The card is then delivered to the home residence of the recipient worker.

For a foreign worker, meanwhile, the process is initiated when there is a declaration on the LIMOSA<sup>36</sup> database. The fbz-fse Constructiv automatically contacts the employer who pays 20 euros for each card for each worker and this cost is sufficient to meet all of the costs of producing the Construbadge (including its mailing to the worker which must be to a Belgian address). The employer is responsible for uploading the photograph of the worker onto fbz-fse Constructiv web application. When this is done, the Construbadge is dispatched to the address that the foreign employer has submitted.

The card production possesses many checks and balances. Fbz-fse Constructiv undertakes checks on the validity of the information received. The exchanges of information from fbz-fse Constructiv to Syx Graphics is regularly checked by fbz-fse Constructiv. Quality assurance of the badge production and data stored is continuously undertaken by Syx Graphics.

#### *Information collected/stored*

Cards have the ability to hold 28 separate pieces of information for a range of different purposes. This information includes his or her photograph and name, the name of his or her employer, employer and employee identification numbers, card number, barcode, and validity date; information on successful training undertaken, safety and health certification, work experience in the construction sector, and additional information including whether they have a driving license and apps that can be used to provide access to sites.

If it is stolen or lost, or is no longer functioning, the employer informs fbz-fse Constructiv using a web-app constructed for this purpose. The previous card will then be stopped from functioning and a new card will be issued. The only information currently stored is the card number, the name of the worker, their social security ID number and the name of the employer. If any of these need to change, a new Badge is issued. If additional apps are activated, the card chip automatically updates the information the first time that the card is swiped by a reader which connects to the fbz-fse Constructiv dataset.

#### *Legal basis*

This was a voluntary initiative initiated by the social partners in partnership with the enforcement authorities. Since 2014, registration of workers using Checkin@Work is mandatory for construction sites with a total cost equal to or higher than €500,000 excl. VAT.


#### *Institutions/organisations with access to the data*

All organisations involved in the social security system in Belgium, and this includes fbz-fse Constructiv, share data through the Crossroads Bank of Social Security (CBSS)<sup>37</sup>. Each organisation authenticates the data that they provide to the CBSS and promise to share this data with the other partner organisations in the CBSS who might find this information useful. The advantage of this CBSS

<sup>36</sup> LIMOSA = daily declarations of occupation of posted foreign workers

<sup>37</sup> CBSS-Crossroads Bank of Social Security site

	<p>system is that the employer only needs to submit specific information once, rather than several times to multiple organisations.</p> <p>The Fbz-fse Constructiv receives all information it requires on construction workers from the Crossroads Bank network. DmfA can provide information on the wages and activity of Belgian workers submitted by their employer. Dimona can provide information on the daily work times of Belgian workers submitted by their employers. Limosa can do the same for posted workers. The National Register of eID can provide the worker's photograph.</p> <p><i>Validity</i></p> <p>The ConstruBadge remains a valid card only for 12 months.</p>
<b>Target groups and organisations involved</b>	<p><i>Target groups</i></p> <p>Employers and employees in the construction sector. It is intended for workers from Belgian construction companies as well as from foreign companies who work on Belgian soil. Temporary personnel who fall under these categories also receive a ConstruBadge.</p> <p><i>Organisations involved</i></p> <ul style="list-style-type: none"> <li>- fbz-fse Constructiv</li> <li>- CBSS</li> <li>- Syx Graphics</li> <li>- NSSO</li> <li>- National Registry of eID</li> </ul>
<b>Resources needed to implement the measure</b>	<p>The costs of badge are met by quarterly payments that Belgian construction sector employers submit to fbz-fse Constructiv.</p> <p>Foreign employers, however, pay a cost for each card requested of 20 euros, that covers the costs for fbz-fse Constructiv of issuing the badge to them (including postal costs).</p>

	<b>Outcomes</b>
<b>Achievement of objectives</b>	<p>An experiment was conducted on 8 construction worksites in August 2013 by fbz-fse Constructiv<sup>38</sup>. These varied in size and the type of work being undertaken. The workplaces for the experiment included a home construction site, a hospital renovation project, an infrastructure project and so forth. Sites were also chosen with a variable number of workers ranging from less than 5 on one site to over 500 on another. Finally, some static sites were chosen (e.g., a home construction site) and some mobile construction sites (e.g., road repairs).</p> <p>Altogether, 8,000 cards were allocated to the workers across these 8 workplaces. The main aim of this experiment was to quality assure the cards as physical</p>



<sup>38</sup> Briganti et al, 2015, pp. 12

	<p>entities, and the feasibility and practicality of producing and distributing the cards. It enables any glitches to be ironed out.</p> <p>Following this experiment, it was not until 15 September 2014 that the badge was made available to all construction workers. By 17 December 2014, 5,000 badges had been issued to foreign workers and 160,000 to Belgian workers.</p> <p>Since then, the badges have been widely adopted, especially on large sites, even they are not mandatory. There is nevertheless mandatory registration of workers using Checkin@Work for larger construction sites. Nevertheless, although some previous governments had the intention of making the badge mandatory for all construction workers, whether this will continue is unknown.</p> <p>One reason the badge is widespread might be due to “third parties”<sup>39</sup> integrating it in their software-apps used in the construction sphere (e.g., to access sites).</p> <p>No detailed evaluation has been conducted of card’s impact on preventing undeclared work or in transforming undeclared work into declared work.</p>
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<sup>39</sup> Third parties = workers that belong to countries that are not EU members

## 3.2 FINLAND

	<p><b>Description</b></p> 
<p><b>Background context</b></p>	<p>According to the 2019 Eurobarometer Survey no. 498 on undeclared work, 21% of all undeclared work in Finland is in the repairs and renovations sector<sup>40</sup>. Therefore, to tackle undeclared work in this country, it is essential to address undeclared work in construction activities.</p> <p>In Finland, there have been several kinds of ID cards used on construction sites as some construction businesses have created their own card systems and a number of commercial producers of cards exist. On the whole, these are fairly cards without chips.</p> <p>The Confederation of the Finnish Construction Companies and its members in March 2014 took a decision. They stated that one card, the <b>Valtti-älykortti</b>, would be used on their sites. They stated, also, that they intended to make this the standard card<sup>41</sup>.</p> <p>The trade union in the construction industry in Finland asked for the tax number to be included on the card. The idea was accepted.</p>
<p><b>Purpose and objectives</b></p>	<p>The main purpose of the social ID card is to identify who are the workers and employers on sites. If a work permit is required, as is the case for foreign workers, the purpose is also to identify the nationality of the worker<sup>42</sup>. The card therefore enables all workers and businesses to be identified on a worksite.</p> <p>It can be used to access worksites via gates and provide electronic access to operate specific machines and equipment. Main contractors are especially using them to gain access to sites via electronic gates and are reading them by using “stamping machines” to record when workers enter and leave sites<sup>43</sup>.</p> <p>The tax number was requested to be included on the card so that adherence with tax compliance occurred and income tax was paid to the tax enforcement authority. This is because there are variable agreements on tax with different countries and therefore different foreign nationals differ in terms of their tax liabilities in Finland. Thus, it facilitates the payment of tax liabilities either in Finland or the home country of the worker.</p>

<sup>40</sup> EFBWW and FIEC, 2020

<sup>41</sup> Briganti et al, 2015, pp. 17

<sup>42</sup> Briganti et al, 2015, pp. 18

<sup>43</sup> Vastuu Group about Valttikortti



	<p>The Finnish tax authority is notified on a monthly basis of the workers on a site and how much is paid to each business. This enables the tax authority to conduct crosschecks with the information given by the businesses.</p>
<b>Description of the measure</b>	<p><i>Mandatory/optional</i></p> <p>Mandatory. All workers on shared construction workplaces must be attired with a name tag that has a photograph and their tax number and this must be visible at all times (e.g., on their helmet or worn visibly on their clothes). Given that two businesses or more operate on most construction workplaces, this means that nearly all sites are included in this obligation. A wide range of workers are covered, Not only are self-employed people included but also security guards and architects. Even workers on a site for less than an hour are included, although if they are delivering goods, it is not necessary. The only exempted construction sites are where a domestic house owned by individuals is being built for their own occupation<sup>44</sup>.</p> <p>The main contractor is responsible for all workers to ensure that they are wearing the badge and they have to check this upon entry to the site.</p> <p>Labour inspectors can make inspections either alone or in joint operations with other enforcement authorities (e.g., the police or tax inspectors). Fines are issued to those without cards. The fines are issued to the worker. Representatives of the trade union in the Finnish construction industry also can check the tax numbers, but they cannot issue sanctions<sup>45</sup>.</p> <p><i>Technical solution</i></p> <p>Valtticards are supplied in a package including a Valtti smart card with an electronic chip and the personal ID card required on the site<sup>46</sup>.</p> <p>The orange Valtti smartcard</p> <ul style="list-style-type: none"> <li>• Used for Access control</li> <li>• The information on the smartcard is saved in the electronic card storage.</li> <li>• Contains a barcode and an electronic chip.</li> </ul> <p>The blue Valtti personal ID-card</p> <ul style="list-style-type: none"> <li>• The card contains a photograph, is occupational health and safety standardized and is used as the personal ID card required at construction sites.</li> </ul> <p><i>Issuer</i></p> <p>Can be any card provider or the construction companies can print their own cards. Encryption is provided by Suomen Tilaaajavastuu Oy, that produces Finnish driving licences.</p> <p><i>Information collected/stored</i></p> <p>The employer provides its name, the worker's name, their tax number and a photograph of the worker so that the card can be created. The employer pays the cost of issuing the card. It is also responsible for ensuring that the information is provided</p>

<sup>44</sup> Briganti et al, 2015, pp. 16

<sup>45</sup> Briganti et al, 2015, pp. 17

<sup>46</sup> Vastuu Group, Finland Valtti Card




	<p>securely and for updating the information. When a worker moves to a new employer, a new card is issued. The new employer becomes responsible for issuing this card. If it is stolen, lost, or unusable, a replacement needs to be issued<sup>47</sup>.</p> <p>More information can be added to the card than is required by law, if desired, to the Valtti-älykortti. This might include whether the worker has a license to work with dangerous substances or a work permit. The employer can update such data or it can update monthly if the information is collected from government databases<sup>48</sup>.</p> <p><i>Legal basis</i></p> <p>The legal obligations of section 52a of the Occupational Safety and Health Act (738/2002) that workers be attired with name badges with photographs has applied since 2006. The legislation obliges not only workers to display these badges but also their employment status as either employees or own-account workers. Ever since 2012, the card must not only display the name of the worker and employer but also tax number of the worker. This is a 12-digit code. There are no official details regarding the appearance of the card.</p> <p>For foreign workers, a Finnish personal ID code as well as tax number must be obtained from the tax authority. If foreign workers have a temporary subcontract, then in Finland they can work if non-EU and non-EEA citizens without the need for a residence permit, as long as they possess residence as well as work permits in other countries. A worker can work if they do have a residence permit for 3 months during any 6-month time period. The persona ID code is issued by the tax authority and this needs to be acquired before they can start work and before they can get a card<sup>49</sup>.</p> <p><i>Institutions/organisations with access to the data</i></p> <p>The <b>Valtti</b> card provider complies with the issue of personal data protection. This was agreed in consultation with the Finnish Data Protection Ombudsman.</p> <p><i>Validity</i></p> <p>The Valtti-älykortti card remains useable for five years. After that, it becomes invalid.</p>
<b>Target groups and organisations involved</b>	<p><i>Target groups</i></p> <p>All employers and employees in the construction industry</p> <p><i>Organisations involved</i></p> <ul style="list-style-type: none"> <li>- Tax Administration</li> <li>- Suomen Tilaajavastuu Oy – encryption services provider</li> <li>- The Confederation of the Finnish Construction Companies</li> </ul>
<b>Resources needed to implement the measure</b>	<p>Valtti-älykortti costs approximately €24. The employers pay the costs of the card and are also responsible for keeping the information received in a secure manner. The price of the Valtti card is far outweighed by their benefits for employers because the employers use them to control access to their sites and to record the time spent working of their workers.</p>

<sup>47</sup> Briganti et al, 2015, pp. 16

<sup>48</sup> Vastuu Group: What about Valttikortti?

<sup>49</sup> Briganti et al, 2015, pp. 17



	<b>Outcomes</b>
<b>Achievement of objectives</b>	<p>Prior to the Tax Number being put on social cards, the cards were not effective. When a labour inspector found workers without a card during an inspection, there was no prosecution. Once the tax number was included, the legislation has become more effective. The tax authorities state that in the first 18 months (after September 2012) when it was introduced, tax revenues increased by circa €500 million. Wage payments, for instance, rose in January 2014 by 9% compared with January 2013. In this same period of time, construction transactions had been declining. This displays the effectiveness of the card. Introducing the card resulted in a decrease in undeclared work now that businesses have become aware of who is employed on their sites<sup>50</sup>.</p> <p>From July 2014, site supervisors have been obligated to record the workers and employers on shared construction sites. They must submit on a monthly basis the workers and employers on the site and send the information to the tax authority. This means that employers on sites have been obliged to submit information on their workers to the site supervisor. Some 796,000 had been issued by July 2021<sup>51</sup>.</p> <p>The contractor is also liable for submitting on a monthly basis the wages paid to the tax authority. This applies to all sites, not just shared sites. The tax administration has stated that this is necessary only on contractors with a €15,000 notification obligation.</p> <p>According to inspections of police and occupational safety and health authorities, there has been improvement in identification of employees on construction sites. In 2008-2011, 25-33% of construction site workers had no identification card and by 2013-2015, this figure was only 7.5-8.3%.</p> <p>No detailed evaluation has been conducted of its impact on preventing undeclared work.</p>

References	
<b>Useful sources and resources</b>	<ol style="list-style-type: none"> <li>(1) Briganti, F., Machalska, M., Steinmeyer, H-D, Buelen, W. (2015) <i>Social Identity Cards in the European Construction industry</i>, Brussels: EFBWW/FIEC, <a href="https://www.efbww.eu/publications-and-downloads/reports-and-studies/nunc-auctor-elit-sit-amet-accumsan-pretium/36-a">https://www.efbww.eu/publications-and-downloads/reports-and-studies/nunc-auctor-elit-sit-amet-accumsan-pretium/36-a</a></li> <li>(2) EFBWW, FIEC (2020), <i>Tackling undeclared work in the construction sector: a toolkit</i>, Brussels, <a href="https://www.efbww.eu/publications-and-downloads/reports-and-studies/toolkit-of-the-efbww-and-fiec-to-tackle-undeclared-work-in-the-c/737-a">https://www.efbww.eu/publications-and-downloads/reports-and-studies/toolkit-of-the-efbww-and-fiec-to-tackle-undeclared-work-in-the-c/737-a</a></li> <li>(3) Miettinen, A. (2009) <i>Obligatory personal ID in construction</i>, Finland, <a href="https://www.eurofound.europa.eu/data/tackling-undeclared-work-in-europe/database/obligatory-personal-id-in-construction-finland">https://www.eurofound.europa.eu/data/tackling-undeclared-work-in-europe/database/obligatory-personal-id-in-construction-finland</a></li> <li>(4) Vastuu Group, Finland Valtti Card: <a href="https://www.vastuugroup.fi/lt-en/finland-valtti-card">https://www.vastuugroup.fi/lt-en/finland-valtti-card</a></li> <li>(5) Vastuu Group, Valttikortti, <a href="https://www.vastuugroup.fi/fi-fi/palvelut/valttikortti">https://www.vastuugroup.fi/fi-fi/palvelut/valttikortti</a></li> <li>(6) Vastuu Group: What about Valttikortti? <a href="http://blogi.tilaajavastuu.fi/mika-ihmeen-valttikortti">http://blogi.tilaajavastuu.fi/mika-ihmeen-valttikortti</a></li> </ol>

<sup>50</sup> Briganti et al, 2015, pp. 19

<sup>51</sup> Vastuu Group, Valttikortti

### 3.3 FRANCE

	<p><b>Description</b></p> 
<p><b>Background context</b></p>	<p>According to the 2019 Eurobarometer Survey no. 498 on undeclared work, 24% of all undeclared work in France is in the repairs and renovations sector<sup>52</sup>. Therefore, to tackle undeclared work in this country, it is essential to address undeclared work in construction activities.</p> <p>In 2005, to tackle illegal work, it was identified that subcontracting and services involving posted workers need to be tackled, that resulted in new regulations. This led to the development of a “Construction Charter” by numerous organisations (CNS BTP, CNATP, CAPEB, EGF BTP, FFB, FNTP, and Federation of SCOP BTP) in collaboration with trade unions and the Inter-ministerial Delegation against Illegal Work. In the section of the Charter on best practices, it was recommended that the wearing of a badge on construction sites was a best practice<sup>53</sup>.</p> <p>This led to the development of the <b>BTP Card</b> for the construction sector in 2006, with the above professional organisations acting as the catalyst in this process. Responsibility for the operation of the card lies with the Union des Caisses de France du Réseau Congés Intempéries BTP (UCF CIBTP) in partnership locally with Caisses de Congés Intempéries BTP who deliver the cards to businesses.</p>
<p><b>Purpose and objectives</b></p>	<p>The aim of the card is to enable workers to be identified in order to tackle illegal work.</p>
<p><b>Description of the measure</b></p>	<p><i>Mandatory/optional</i></p> <p>Mandatory. The employees who use the BTP Card are those who “execute, direct or organize, even on an occasional basis, construction work or public works”. In practice, the BTP Card is mandatory for employees who, on a professional basis, perform work included on the list in article R.8291-1 of the Labour Code<sup>54</sup>:</p> <p>"excavation works, earthworks, sanitation, construction, assembly and disassembly of prefabricated parts, interior or exterior fixtures and fittings, restoration or renovation works, demolition or conversion, dredging, maintenance or servicing of works, refurbishment or repair, as well as the</p>

<sup>52</sup> EFBWW and FIEC, 2020

<sup>53</sup> Briganti et al, 2015, pp. 19

<sup>54</sup> Posting of workers in France - BTP Card

	<p>painting and cleaning involved with these works and all directly-linked ancillary operations".</p> <p>This requirement is part of the “Macron law” no. 2015-990 of 6<sup>th</sup> August 2015 for growth, activity, and equality of economic opportunity<sup>55</sup>.</p> <p>Starting from 22 March 2017, the Carte BTP has been deployed for all employees carrying out construction or civil engineering work<sup>56</sup>. The Carte BTP is not mandatory for employees, who never enter construction sites.</p> <p><i>Technical solution</i></p> <p>The BTP Card includes a QR Code which allows verification of the validity of the card using a mobile application. The QR Code is a two-dimensional bar code that makes it possible to store digital data (text, web site addresses, etc.). It can be scanned using a mobile phone equipped with a camera and the appropriate scanner.</p> <p><i>Issuer</i></p> <p>The relevant agency for issuing the Cartes BTP is the Union des Caisses de France CIBTP, to which an electronic request must be submitted through the dedicated portal. The application process is electronic and fulfilled online at the government website: <a href="http://www.cartebtp.fr">www.cartebtp.fr</a>.</p> <p>The Union des Caisses de France du Réseau Congés Intempéries BTP (UCF CIBTP) is responsible for the management of the card and it is delivered to businesses locally through the Caisse de Congés Intempéries BTP.</p> <p>If the BTP Card needs replacing due to being stolen, broken or lost, the employee informs the Union des Caisses de France CIBTP and their employer. The Union des Caisses de France CIBTP also often report this to the police and the card is invalidated. If the card is broken, the worker returns it to the employer, who then sends it to the Union des Caisses de France CIBTP. A new card is then sent to the employee<sup>57</sup>.</p> <p><i>Information collected/stored</i></p> <p>The data retrievable on the BTP Card, and sent by the business to the Union des Caisses de France CIBTP, is the name of the employee, their date of birth and a photograph of the employee, along with the name of the business employing them and the Siret logo<sup>58</sup>. The logo of the fund and its name is then added on the back of the card. Following this, the cards are dispatched to the business responsible for inserting the photograph of the named employee (unless already printed) and the plastic film is closed making any tampering difficult<sup>59</sup>.</p>
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<sup>55</sup> Macron Law

<sup>56</sup> Carte BTP official website

<sup>57</sup> Briganti et al, 2015, pp. 20

<sup>58</sup> Code made up of 14 numbers that provides information about the location of the business in France. The first 9 digits are the SIREN number and the following 5 digits are the NIC number (Numéro Interne de Classement). Siret number can be converted into VAT number. INSEE France

<sup>59</sup> Briganti et al, 2015, pp. 20

	<p>Several elements must be recorded on the BTP card<sup>60</sup>:</p> <ul style="list-style-type: none"> <li>• last name, first name and gender</li> <li>• ID picture of the worker</li> <li>• business name of the employer</li> <li>• the company's SIREN number<sup>61</sup></li> <li>• the card's number and the date of its delivery.</li> <li>• security elements that prevent the falsification of the card.</li> <li>• a QR code (special bar-code) to help control services access the information easily.</li> </ul> <p><i>Legal basis</i></p> <p>From 21 March 2017, construction businesses using seconded employees in France are required to provide their employees with an ID card, known as the Carte Professionnelle BTP (regulatory references: Macron Law of 6 August 2015 and subsequent Decree 2016-175).</p> <p>This applies to all construction businesses whose classification is included in Art. R 8291-1 of the Code du Travail. In consequence, for EU businesses (including temporary staff), each Déclaration Préalable de Détachement must be accompanied by a request for a BTP card.</p> <p>If the business does not do so, the penalty is up to €2,000 per employee and up to €4,000 in the case of a repeat offence. This has been introduced because the French government wants to regulate the construction sector and to create fair competition and believes that heavily penalising businesses, as well as the contractors and project managers, that do not play by the rules is the way forward. Indeed, project managers are held jointly responsible and are obliged to check whether employees of their co-contractors, as well as their direct and indirect subcontractors, are in possession of a BTP card or temporary certificate<sup>62</sup>.</p> <p><i>Institutions/organisations with access to the data, etc</i></p> <p>When an inspection is conducted of a workplace, the BTP card is verified using a telephone number (i.e., AZUR) which provides access to a voice server to verify cards. This AZUR telephone number is available to all officials in authorities designated to conduct an inspection. This AZUR system has been operating since 2010.</p> <p><i>Validity</i></p> <p>The validity period for the Carte BTP varies depends on the type of employee<sup>63</sup>:</p> <ul style="list-style-type: none"> <li>- for an employee established in France, the card is valid from the commencement to the termination of the employment contract</li> <li>- for an employee of a temporary placement agency established in France, the card is valid for five years</li> </ul>
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<sup>60</sup> Carte BTP official website

<sup>61</sup> Siren number is issued by the Statistical authorities (INSEE) for each legal unit and it is made up of 9 numbers. The first 8 figures have no meaning, except in the case of public bodies, but the 9th figure is a control figure to validate the number. INSEE France

<sup>62</sup> Carte BTP official website

<sup>63</sup> Carte BTP official website

	<ul style="list-style-type: none"> <li>- for and employee seconded from a company established outside France, the card is valid from the start to the end of the secondment</li> </ul>
<b>Target groups and organisations involved</b>	<p><i>Target groups</i></p> <p>Employers and employees on construction sites.</p> <p><i>Organisations involved</i></p> <ul style="list-style-type: none"> <li>- Union des Caisses de France du Réseau Congés Intempéries BTP (UCF CIBTP)</li> <li>- Caisses de Congés Intempéries BTP</li> <li>- Fédération Nationale des Travaux Publics – Employers</li> <li>- CFDT Public Works – Trade Union</li> </ul>
<b>Resources needed to implement the measure</b>	<p>Since the card was introduced in 2006, the mean cost of the card has been €1.50 for a card. This figure includes the dispatchment costs to the business as well as the costs of operating the scheme.</p> <p>To calculate the total cost at the end of 2013, the Fédération Nationale des Travaux Publics – Employers (FNTP) considered that it was necessary to include all the costs detailed by the Union des Caisses de France du Réseau Congés Intempéries BTP. This amounted to €7 million (which was the Union des Caisses de France du Réseau Congés Intempéries BTP 2014-15 budget) and some 1.2 million employees requested cards in private works and 50,000 in public works<sup>64</sup>.</p> <p>Some 1.25 million BTP cards had been issued by 2015. The cost for 1,250,000 "applicants" thus represented €5.60 per person. These costs are shouldered by the Union des Caisses de France du Réseau Congés Intempéries BTP, which includes employer contributions covering operating costs.</p> <p>Each Carte BTP costs €10.80 to purchase in July 2021.</p>



	<b>Outcomes</b>
<b>Achievement of objectives</b>	<p>The CFDT Public Works trade union have stated that the usefulness of the card is that it educates and raises awareness about illegal work. For this union, however, to be effective, the card would have to be mandatory and pan-European. They therefore the existing BTP card as a first step towards an EU-wide card scheme.</p> <p>No evaluation has been conducted of its impact on preventing undeclared work.</p>

<sup>64</sup> Briganti et al, 2015, pp. 22

References	
Useful sources and resources	<p>(1) Briganti, F., Machalska, M., Steinmeyer, H-D, Buelen, W. (2015) <i>Social Identity Cards in the European Construction industry</i>, Brussels: EFBWW/FIEC, <a href="https://www.efbww.eu/publications-and-downloads/reports-and-studies/nunc-auctor-elit-sit-amet-accumsan-pretium/36-a">https://www.efbww.eu/publications-and-downloads/reports-and-studies/nunc-auctor-elit-sit-amet-accumsan-pretium/36-a</a></p> <p>(2) EFBWW, FIEC (2020), <i>Tackling undeclared work in the construction sector: a toolkit</i>, Brussels, <a href="https://www.efbww.eu/publications-and-downloads/reports-and-studies/toolkit-of-the-efbww-and-fiec-to-tackle-undeclared-work-in-the-c/737-a">https://www.efbww.eu/publications-and-downloads/reports-and-studies/toolkit-of-the-efbww-and-fiec-to-tackle-undeclared-work-in-the-c/737-a</a></p> <p>(3) ASD Group about Carte BTP: <a href="https://www.asd-int.com/en/comprehensive-information-about-the-construction-workers-card-carte-btp-for-posted-workers/">https://www.asd-int.com/en/comprehensive-information-about-the-construction-workers-card-carte-btp-for-posted-workers/</a></p> <p>(4) BTP Card Video: <a href="https://www.youtube.com/watch?v=BamZ6MEF7OI">https://www.youtube.com/watch?v=BamZ6MEF7OI</a></p> <p>(5) Carte BTP official website: <a href="https://www.cartebtp.fr/fileadmin/medias/Telechargements/FAQ_Toutes_cibles_en.pdf">https://www.cartebtp.fr/fileadmin/medias/Telechargements/FAQ_Toutes_cibles_en.pdf</a></p> <p>(6) INSEE France: <a href="https://www.insee.fr/fr/metadonnees/definition/c1841">https://www.insee.fr/fr/metadonnees/definition/c1841</a></p> <p>(7) Macron Law: <a href="https://www.lw.com/thoughtLeadership/LW-thoughtleadership-French-Macron-anticonpetition-law">https://www.lw.com/thoughtLeadership/LW-thoughtleadership-French-Macron-anticonpetition-law</a></p> <p>(8) Posting of workers in France - BTP Card: <a href="https://www.soposting-worker.com/en/construction-worker-professional-card">https://www.soposting-worker.com/en/construction-worker-professional-card</a></p>



### 3.4 ICELAND

	<p><b>Description</b></p> 
<p><b>Background context</b></p>	<p>In 2010, the Act on Workplace ID Cards and Workplace Inspection No. 42/2010 was introduced. This Act provided the requisite trade unions and employer federations with the right to forge collective agreements to decide the occupations and industries that should be included in the Act at any moment in time.</p> <p>In Iceland, the social partners have been granted the authority to appoint inspectors to perform the inspections in relation to the workplace ID Cards. During inspection visits, the employer and the employees are obliged to display their workplace ID Cards, if requested. The self-employed are also obliged to do so.</p> <p>A workplace ID card is defined as:</p> <p>“cards that an employer prepares with information about the employer and employee. If an employee from an employment agency is involved, the name of the employment agency shall be specified instead of the employers.”</p>
<p><b>Purpose and objectives</b></p>	<p>To prevent undeclared work, employers and workers must be issued with workplace identity cards before their first day of work. The workplace ID card also aims to improve the conditions under which certain health and safety regulations are monitored, as well as to ensure that employees receive the wage and working conditions established in the regulations<sup>65</sup>.</p>
<p><b>Description of the measure</b></p>	<p><i>Mandatory/optional</i></p> <p>Mandatory. All employers in the agreed sectors are obliged to ensure that their employees receive workplace ID cards before the first day of work. This applies both for employees directly employed on an employment contract, as well as those employed by a temporary-work agency, and the self-employed. The employees are obliged to carry their workplace ID Cards at all times<sup>66</sup>.</p> <p><i>Technical solution</i></p> <p>The Icelandic Standards (IST) agency published a standard on workplace ID cards, namely ÍST 132:2012<sup>67</sup>. It is recommended the use of a workplace certificate where</p>

<sup>65</sup> Eurofound

<sup>66</sup> Williams, 2021, pp. 1

<sup>67</sup> ID Cards in Iceland



information is printed on a plastic card. There is also the option of having a magnetic stripe for information or a processor, for example (i.e., a chip card).

#### *Issuer*

Article 4 of the social partner agreement states that

“An employer covered by this agreement shall see to it that employees get workplace ID cards when they start working.”

Thus, the employer is responsible for issuing the workplace ID cards and the information stated therein. Various commercial organisations offer plastic card printing. Employers send the manufacturers of the certificates an excel file with the information that should appear on the cards, as shown below:

Nafn	Kennitala / fæðingardagur & ár	Starfsheiti	Atvinnurekandi / starfsmannaleiga	Kennitala atvinnurekanda/ eða annað auðkenni
Jón Jónsson	090979-1214	Trésmiður	Múr og málning ehf.	3456789-1234
Bjarni Bjarnason	010168-1234	Málari	Múr og málning ehf.	3456789-1234
Gunnur Jónsdóttir	020252-1234	Múrari	Múr og málning ehf.	3456789-1234

A photo of the employee in question must also be included, and it is recommended to use the employee's ID number in its name to avoid mistakes. 12 companies are listed as able to issue such ID cards.

#### *Information collected/stored*

Article 3 of the 2010 Act states<sup>68</sup>:

“The workplace ID cards shall state the name and National ID of the employer or another identification for him/her and the name and National ID of the relevant employee along with a picture of the employee”.

Article 5 of the social partners agreement similarly states that

“the following information shall appear on workplace ID cards:

- Name/designation of the employer as recorded in the Register of Companies, or the name of an employment agency as registered at the Directorate of Labour.
- The employer's National ID. In case of foreign company which has not registered National ID in Iceland, its name and VAT number or other equivalent information which shows that the company is operating legally in the country where it is registered.
- Name and National ID of the relevant employee, along with a picture. If an employee of a foreign service company does not have an Icelandic National ID, the employee's birth date and year shall be recorded.
- The job title of the employee shall be specified and shall be in accordance with the job the employee is hired to execute. In cases where the job and/or the job

<sup>68</sup> Act on Workplace ID Cards and Workplace Inspection no. 42/2010

title are regulated by law the job title must be in accordance with the rules that apply. ”

*Legal basis*

In 2010, an Act on Workplace ID Cards and Workplace Inspection No. 42/2010 was passed. Article 3 states that an employer is responsible for issuing ID cards to their workers. Article 1 states that the social partners can forge collective agreements to designate the industries and occupations included in the Act.

The first collective agreement on workplace ID cards and inspections between the Icelandic Confederation of Labour (ASÍ) and the Confederation of Icelandic Employers (SA) was agreed on 15 August 2010. This agreement has been subsequently amended on 5 May 2011 and on 16 April 2013<sup>69</sup>.

Article 6 of the 2010 legislation states:

“if an employer or his/her employees do not carry workplace ID cards while working for the employer at a relevant workplace of the employer...the inspectors can give notice of this to the Directorate of Labour. After imposing per diem fines, the Directorate of Labour can demand that an employer rectifies his/her deficiencies within a suitable period. If an employer’s repeated violation is involved, the Directorate of Labour can demand that the employer rectifies his/her deficiencies within 24 hours. Notice of a decision regarding per diem...shall be made in writing... Per diem fines can be up to ISK 100,000 per day. In deciding the amount of per diem fines, consideration shall include the employer’s number of employees and the scope of the relevant business. Per diem fines shall accrue to the Treasury.”

*Institutions/organisations with access to the data*

The Workplace ID Cards allow for two levels of control. At the first level, it guarantees that employers and employees who have such cards understand their duties to comply with labour regulations. At the second level, the inspectors send the card information to the relevant authorities (e.g., tax authorities, labour inspectorate, social insurance authority, police, immigration directorate) to check the information<sup>70</sup>.

Article 6 of the social partners agreement relates to information disclosure. This clearly states that an inspector should record the ID card information on a specific database and send it to the authorities specified in the Act.

Inspectors do not have the authority to obtain information about what business is taking place beyond that information which is needed to inspect the cards. They also do not have the authority to provide information collected to others. While conducting an inspection, a card issued by the social partners must be shown by the inspectors. Inspectors can ask the police for help in conducting an inspection if it is deemed that this is required<sup>71</sup>.


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<sup>69</sup> ID Cards in Iceland

<sup>70</sup> Bergsveinsdóttir, 2021

<sup>71</sup> ID Cards in Iceland

	<p>If no trade union representative exists on a site, an inspector can ask for access to information based on the social partner ASÍ and SA agreement on Foreigners in the Icelandic Labour Market.</p> <p><i>Validity</i></p> <p>No information is available in the public space.</p>
<b>Target groups and organisations involved</b>	<p><i>Target groups</i></p> <p>Employers and their employees within the construction industries. However, numerous other sectors are also included, such as the hotel and restaurant sector, retail food stores, furniture manufacturers, meat processing industries, tour operators, and so forth.</p> <p>Employers and their employees not covered by the included industries and sectors in the agreement but whose activities lead to them operating in these workplaces must also carry an ID card.</p> <p>Employers and employees in the industries covered above by the agreement and who work in the production or service must carry a workplace certificate. This includes managers of companies with less than 10 employees. However, the obligation does not apply, for example, to office workers and managers of larger companies.</p> <p><i>Organisations involved</i></p> <ul style="list-style-type: none"> <li>- Icelandic Confederations of Labour (ASI)</li> <li>- Confederation of Icelandic Employers (SA)</li> </ul>
<b>Resources needed to implement the measure</b>	<p>It is the responsibility of the employer to acquire the workplace ID cards for all employees and to fund their acquisition.</p> <p>No information is available in the public domain about the costs of issuing these cards.</p>



	<b>Outcomes</b>
<b>Achievement of objectives</b>	<p>These workplace ID cards are compulsory so every employee in the named sectors has one. Therefore, it is universal coverage in the sectors affected.</p> <p>No detailed evaluation has been conducted of its impact on preventing undeclared work.</p>

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- (6) Collective Agreement: <http://www.skirteini.is/wp-content/uploads/pdf/Agreement ASI SA english with amendments 16042013.pdf>
- (7) Eurofound: <https://www.eurofound.europa.eu/data/tackling-undeclared-work-in-europe/database/workplace-id-cards-iceland>
- (8) ID Cards in Iceland: <http://www.skirteini.is/english/>

### 3.5 ITALY

	<p><b>Description</b></p> 
<p><b>Background context</b></p>	<p>According to the 2019 Eurobarometer Survey no. 498 on undeclared work, 14% of all undeclared work in Italy is in the repairs and renovations sector<sup>72</sup>. Therefore, to tackle undeclared work in this country, it is essential to address undeclared work in construction.</p> <p>Given the long-standing concentration of undeclared work in the construction sector, ID cards to check staff on construction sites has been used since 2006.</p>
<p><b>Purpose and objectives</b></p>	<p>ID cards are employed in Italy to assess whether workers on a construction site are operating on a declared basis and aim to tackle undeclared work in this sector.</p>
<p><b>Description of the measure</b></p>	<p><i>Mandatory/optional</i></p> <p>Mandatory. In the case of procurement and subcontracts, the employer must provide an identification card (<i>tessera di riconoscimento</i>) to all the workers in charge of specific contracts, including non-subordinated employees (<i>Legislative Decree No. 81/2008</i><sup>73</sup>). The card must meet specific requirements and be visibly exhibited while the worker performs their activity.</p> <p><i>Technical solution</i></p> <p>Chip card. The card can identify if a worker has the authority to enter a construction site. The RFID data transmission chip on the card has a photograph of the worker. To issue the card, the information collected includes personal data of the worker including their date of birth, and place of birth, the data of who is their employer and the task and role that the worker will undertake on the site. After its issue, there is an accreditation procedure that allows the card to be activated to enter a site. This matches the RFID chip on the card with a secure code unique to the worker and activated by the fingerprint of a worker. This procedure prevents fraud and any counterfeiting and prevents the use of the card by anybody other than the owner<sup>74</sup>.</p> <p><i>Issuer</i></p> <p>The employer must provide their employees with cards and these must be worn by the worker. The card is issued by an employer or sometimes the Construction Workers' Welfare Funds (<i>Casse Edile</i>). The latter is under the ownership of the social partners and produces the ID cards. If this organisation is not used, the</p>

<sup>72</sup> EFBWW and FIEC, 2020

<sup>73</sup> Sicurezza sul lavoro

<sup>74</sup> Briganti et al, 2015, pp. 27

	<p>business employs its own dedicated supplier to print a photograph of the named worker and import their personal details onto a credit card sized card<sup>75</sup>.</p> <p><i>Information collected/stored</i></p> <p>The card has on it the personal details of the employee, including a photograph of the worker, the name of the employer, the date they were hired, the employers' taxpayer code or the taxpayer code of self-employed person so that they can be identified. It also includes the date that the subcontractor agreement was authorized if the worker is working for a subcontractor. The information is provided by either the contractor, subcontractor, or self-employed person<sup>76</sup>.</p> <p>The RFID chip records all access entries and exits from a site for every worker with a card. The card also activates the opening of any turnstile or door to provide access to the site to the persons accredited to be present. It can also take a photograph of the person which is useful for comparing the picture with the photograph held on the database of the worker.</p> <p><i>Legal basis</i></p> <p>The obligation to provide workers with a company identification card applies to all employees of contracted or subcontracted companies. The obligation is provided for by the Consolidated Law on health and safety at work, Legislative Decree no. 81/2008. This card, therefore, is not confined to the construction sector<sup>77</sup>.</p> <p>Article 18, paragraph 1, letter u) of Legislative Decree no. 81/2008 provides that the employer and the managers, who organize and direct the activities according to the powers and competences assigned to them, must:</p> <p style="padding-left: 40px;">“in the context of carrying out activities under contract and subcontracting, provide a special identification card, accompanied by a photograph, containing the personal details of the worker and the indication of the employer”.</p> <p>The following article 26, paragraph 8, also of Legislative Decree n. 81/2008 provides that:</p> <p style="padding-left: 40px;">“In the context of carrying out activities under contract or subcontracting, the staff employed by the contractor or subcontractor must be equipped with a special identification card accompanied by a photograph, containing the personal details of the worker and the indication of the employer.”</p> <p>If any employer fails to provide an identity ID card, the penalty ranges from €109.60 to €548 for each worker without a card. Any worker who fails to present their card receives a fine ranging from €54.80 to €328.80<sup>78</sup>.</p> <p><i>Institutions/organisations with access to the data</i></p> <p>Labour inspectors as well as other inspection authorities can perform card checks to see whether they are being used and displayed, and that the workers are who they are stated to be.</p>
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<sup>75</sup> Briganti et al, 2015, pp. 25

<sup>76</sup> Briganti et al, 2015, pp. 26

<sup>77</sup> Construction Law in Italy

<sup>78</sup> Briganti et al, 2015, pp. 26

	<p>In Italy, there was some discussion of whether the date of birth should be on the card and whether this was a data protection issue. The Ministry of Labour has subsequently given clarification that the inclusion of the date of birth is not in violation of the Personal Data Protection Code<sup>79</sup>.</p> <p><i>Validity</i></p> <p>All visible data on the card is exclusively personal data and does not need to keep being updated. Only information on the employer needs updating and in such a case a new card must be issued. For cards that are stole, lost or irreparable, the employer has the responsibility for getting a replacement.</p>
<b>Target groups and organisations involved</b>	<p><i>Target groups</i></p> <p>In Italy, a identify is necessary for all workers on construction sites. This includes not only employees but also the self-employed and posted workers. The obligation to provide workers with a company identification card applies to all employees of contracted or subcontracted companies. This card, therefore, is not confined to the construction sector.</p> <p><i>Organisations involved</i></p> <ul style="list-style-type: none"> <li>- Casse Edili - Construction Workers' Welfare Funds</li> <li>- CPT – Comitato contro gli infortuni sul lavoro</li> </ul>
<b>Resources needed to implement the measure</b>	<p>The cost of issuing the card is paid for by employers. The cost is under €2 per card because the administration costs associated with the production of the card are paid for by the Casse Edili or the organisation charged with preventing local accidents (CPT – <i>Comitato contro gli infortuni sul lavoro</i>) for those who are members. In some regions of Italy, the cards are supplied free by either the Cassa Edili or CPT<sup>80</sup>.</p>

	<b>Outcomes</b>
<b>Achievement of objectives</b>	<p>The ID card is used to control access to construction sites. This enables siter supervisors to check who is on sites and whether they should be there. Giving the fines<sup>81</sup> that exist for employers and workers, both employers and workers have made contractors much more about using undeclared labour and controlling who can access a site.</p> <p>The issuance of the card could be more formal in the sense of centralised through an independent body and the inclusion of more information could be beneficial such as the qualifications of the worker, which would necessitate the linking of the card to wider databases.</p> <p>Between August 2006 and December 2007, shortly after the introduction of ID cards in the construction industry, the inspection of 37,129 construction sites found that 57% of firms had irregularities and that 63% of workers regularly employed on</p>

<sup>79</sup> Data Protection Code

<sup>80</sup> Briganti et al, 2015, pp. 26

<sup>81</sup> Fines range from EUR1,500 to EUR36,000, depending on the length of undeclared work, Construction in Italy

	<p>construction sites are unregistered<sup>82</sup>. This shows the lack of effectiveness of this initiative as a deterrent, but its efficiency as a tool for detecting unregistered workers.</p> <p>No detailed evaluation has been conducted of its impact on preventing undeclared work.</p>
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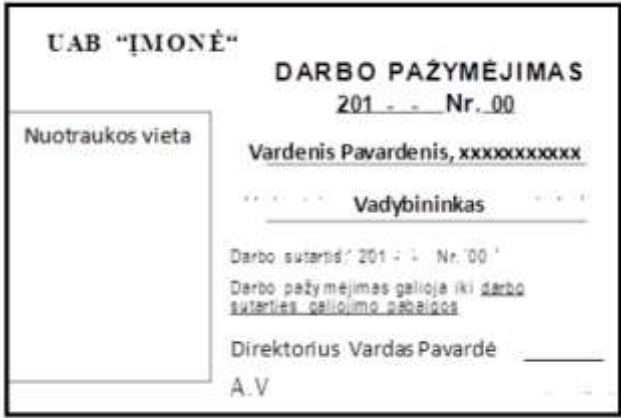
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<sup>82</sup> Eurofound, 2013



## 3.6 LITHUANIA


	<p><b>Description</b></p> 
<p><b>Background context</b></p>	<p>According to the 2019 Eurobarometer Survey no. 498 on undeclared work, 24% of all undeclared work in Lithuania is in the repairs and renovations sector<sup>83</sup>. Therefore, to tackle undeclared work in this country, it is essential to address undeclared work in the construction realm.</p> <p>There are three different card identification tools in Lithuania to verify workers, including those in the construction sector. All apply to both domestic as well as foreign workers<sup>84</sup>:</p> <p>The <b>Social Insurance Certificate</b>, introduced in 2003, is used to display the registration of a person in the social insurance system and that they can be employed in the country. Possession of this certificate is mandatory. The database includes the first name and family name of the worker, and their personal code. The employer is responsible for uploading the information on social insurance payments, which is checked by the Social Insurance Office and State Labour Inspectorate. The information must be uploaded on the first day of employment to the database and is updated annually by the employer. The self-employed do it themselves. The social insurance certificate is then issued from the Social Security Office, after a social security officer and concerned employee check the information provided. The Social Insurance Certificate has no end-date. If stolen, lost or irreparable, it is replaced upon application to the Social Insurance Office.</p> <p>The <b>Employee's Identity Certificate</b>, introduced in 2003, is proof that a person is employed by a business. The certificate holds information on the name of the business, the name of the employee, the title of their job, a photograph of them, their contract number and the date of the contract, the location of the company, the position of the employer, their name and their signature, the issuance of the certificate and the expiration date of the certificate. Grounded in Labour Law, this certificate is mandatory and must be issued prior to the first day of employment. It must be registered in the registry of Employee Identity Certificates. If this is not done, then fines range from €145 to €1,448. The database holds information on the first name and family name as well as personal code of the employee. The employer is responsible for providing this data and mandatory updates are required if either</p>

<sup>83</sup> EFBWW and FIEC, 2020

<sup>84</sup> Briganti et al, 2015, pp. 28-30



	<p>the personal data changes or the labour contracts alters in terms of the position of the employee or the term of their contract, pr their employer changes. New certificates can be issued when they are broken, lost or stolen. The certificate becomes invalid once the employment contract is terminated.</p> <p><b>Employee ID Cards</b> are the third and final form of certification in Lithuania and are primarily employed for internal purposes by business and for health and safety purposes. They are often used to check-in and check-out workers from their workplaces on a daily basis, including both employees but also subcontractors' employees. They apply across all sectors, including construction sites for example. This is the card considered in this analysis.</p>
<b>Purpose and objectives</b>	To tackle undeclared work on construction sites.
<b>Description of the measure</b>	<p><i>Mandatory/optional</i></p> <p>The Employee ID card is optional. There is no data on the percentage of workers/companies using it.</p> <p><i>Technical solution</i></p> <p>The data on the card is visual and electronic.</p> <p><i>Issuer</i></p> <p>The data is provided by the main contractor and issues the card to the worker.</p> <p><i>Information collected/stored.</i></p> <p>The card includes the first name and family name of the worker, their photograph and can also include other information such as the name of the project, identity number, name of client, etc.</p> <p><i>Legal basis</i></p> <p>Various main contractors and customers desire that an employee in their workplaces wears the Employee ID Cards. This card is not required by law. Instead, their usage is determined on a contract-by-contract basis. The cards are common in Lithuania in particular industries (e.g., nuclear power stations), particular facilities (e.g., airports) and are commonly used on large construction worksites.</p> <p><i>Institutions/organisations with access to the data</i></p> <p>If a business collects personal data about non-employees, for example personal data on suppliers or sub-contractors, they must seek permission from the Personal Data Protection Inspectorate. This registration and permission are not necessary if an employer only collects and transfers personal data on their own employees. A check of whether these are held can be undertaken either by a contractor or client.</p> <p><i>Validity</i></p> <p>The card usage is determined on a contract-by-contract basis. New certificates can be issued when they are broken, lost or stolen. The certificate becomes invalid once the employment contract is terminated.</p>

<b>Target groups and organisations involved</b>	<p><i>Target groups</i></p> <p>Employees and employers in the construction sector. Cards are applied in all sectors, including construction, and are usually used on large construction sites.</p> <p><i>Organisations involved</i></p> <ul style="list-style-type: none"> <li>- Personal Data Protection Inspectorate</li> </ul>
<b>Resources needed to implement the measure</b>	Employer bears the costs. There is no additional information regarding the resources and costs to implement the card

	<b>Outcomes</b>
<b>Achievement of objectives</b>	<p>The Employee ID Card has helped tackle undeclared work across the workforce, including in the construction industry. There is no data available on the number of construction businesses who use the voluntary Employee ID Card scheme on their worksites.</p> <p>No detailed evaluation has been conducted of its impact on preventing undeclared work.</p>

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<b>Useful sources and resources</b>	<ol style="list-style-type: none"> <li>(1) Briganti, F., Machalska, M., Steinmeyer, H-D, Buelen, W. (2015) <i>Social Identity Cards in the European Construction industry</i>, Brussels: EFBWW/FIEC, <a href="https://www.efbww.eu/publications-and-downloads/reports-and-studies/nunc-auctor-elit-sit-amet-accumsan-pretium/36-a">https://www.efbww.eu/publications-and-downloads/reports-and-studies/nunc-auctor-elit-sit-amet-accumsan-pretium/36-a</a></li> <li>(2) EFBWW, FIEC (2020), <i>Tackling undeclared work in the construction sector: a toolkit</i>, Brussels, <a href="https://www.efbww.eu/publications-and-downloads/reports-and-studies/toolkit-of-the-efbww-and-fiec-to-tackle-undeclared-work-in-the-c/737-a">https://www.efbww.eu/publications-and-downloads/reports-and-studies/toolkit-of-the-efbww-and-fiec-to-tackle-undeclared-work-in-the-c/737-a</a></li> <li>(3) Employee or self-employed: <a href="https://www.renkuosilietuva.lt/en/employee-or-self-employed/">https://www.renkuosilietuva.lt/en/employee-or-self-employed/</a></li> <li>(4) Procedure for foreigners: <a href="https://uzt.lt/en/services/foreigners/procedure/">https://uzt.lt/en/services/foreigners/procedure/</a></li> </ol>

### 3.7 LUXEMBOURG

	<p><b>Description</b></p> 
<p><b>Background context</b></p>	<p>According to the 2019 Eurobarometer Survey no. 498 on undeclared work, 11% of all undeclared work in Luxembourg is in the repairs and renovations sector<sup>85</sup>. Therefore, to tackle undeclared work in this country, it is essential to tackle undeclared work on construction sites.</p> <p>The Luxembourg public authorities issue an “e-Detachement” platform<sup>86</sup>. This is for posted workers. After they complete a registration procedure on this platform, they are issued with a <b>social badge</b>. This e-Detachement initiative and scheme is not used for any other workers; only posted workers.</p>
<p><b>Purpose and objectives</b></p>	<p>The aim of the social Badge scheme is to tackle social dumping and illegal work by enabling the identification of posted workers who have registered to work in Luxembourg.</p> <p>This badge enables the authorities to check the work status, social security and health and safety issues, tax compliance (LU VAT-number), vocational qualifications, whether posted workers have work and residence permits and whether notice has been given in advance of their service provision in the country.</p>
<p><b>Description of the measure</b></p>	<p><i>Mandatory/optional</i></p> <p>Mandatory. The badge is mandatory for all posted workers working in any sector in both public and private organisations. It is not mandatory for those in self-employment<sup>87</sup>.</p> <p><i>Technical solution</i></p> <p>Simple card with QR code. The QR code on it grants access to more detailed information on the electronic platform e-Detachement. The data can be accessed by the posting company and the Labour Inspectors from the Inspection du Travail et des Mines (ITM).</p>

<sup>85</sup> EFBWW and FIEC, 2020

<sup>86</sup> Detachement

<sup>87</sup> Briganti et al, 2015, pp. 31

	<p><i>Issuer</i></p> <p>The business posting the worker is responsible for submitting the application for the badges and their printing. The business can create an account using the e-Détachement electronic platform and can then enter all the required information online with no physical visits to authorities necessary. The necessary documents that are required include: a residence permit and a work permit for any third country national (TCN); the working contract issued to them by the employer; the A1 certificate; a certificate of their health and fitness; the Luxembourgish VAT-number of the business employing them; and proof that notice has been given to the General Directorate for SMEs and Entrepreneurship that their occasional and temporary services are requested. Having provided this information, the business can then automatically print out the badge for the posted worker<sup>88</sup>.</p> <p>In exceptional circumstances, when it is not possible for the posting employer to access the e-Détachement platform, they can complete a hard copy registration form and send it in hard copy to receive the badge<sup>89</sup>.</p> <p><i>Information collected/stored</i></p> <p>The badge includes the full name of the posted worker and also the name of their employer, and it also has a QR code that provides them with the information held on the e-Détachement platform about them.</p> <p>If they visit the e-Détachement database, they can see the data held about them. This includes their personal data, their job status in Luxembourg, their country of origin, details about their residence permit, name of their employer, and details on the services they are providing and details of the competencies, qualifications and training. The app and database are managed and administered by ITM<sup>90</sup>.</p> <p>The data included on badges is updateable by the business posting the worker or the posting administrative section of the ITM. The employer posting a worker is required to update the accounts of any posted worker whenever there are changes in their situation (e.g., a change in their geographical location, a change in the duration of their posting, a change in the services provided).</p> <p>When the badge is applied for, the documents submitted are verified. If there are discrepancies, the ITM will first ask the business to comply. If they do not, then an administrative fine can be issued ranging from €25 to €25,000<sup>91</sup>.</p> <p><i>Legal basis</i></p> <p>The e-Détachement app and badge were introduced by ITM following the approval of the request by the Minister of Labour. In order to implement it, there was first social partner consultation in 2013, and following this, there was an experimental pilot stage in late 2013 to test the workability of the app. The full implementation occurred on 1 January 2014<sup>92</sup>.</p>
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<sup>88</sup> Briganti et al, 2015, pp. 31

<sup>89</sup> Communication de détachement

<sup>90</sup> Briganti et al, 2015, pp. 31

<sup>91</sup> Briganti et al, 2015, pp. 32


<sup>92</sup> Briganti et al, 2015, pp. 31

	<p>Article L.142-2 of the Luxembourgish Labour Code states that it is mandatory for businesses posting workers to inform the ITM<sup>93</sup>. The legal basis for the badge itself is Article 3 of the Law of 17 June 1994<sup>94</sup>, that:</p> <p>“laying down measures to ensure the maintenance of employment, price stability and the competitiveness of enterprises.”</p> <p><i>Institutions/organisations with access to the data</i></p> <p>Access to the information held is available to both the posting business as well the ITM labour inspectors.</p> <p>The ITM uses the data provided by the employing business, which it then checks with the posted worker. If there are differences between the reported statement of an employer and that of a posted worker, the ITM requests any necessary additional documents and requests via the IMI system<sup>95</sup> the relevant foreign enforcement authority if the documents that have been provided are authentic documents and valid.</p> <p>The badge contains no fraud-resistance measures because the badge itself is merely a way of accessing the database record of the posted worker. It does not itself hold data on the worker.</p> <p>The app and badge were approved by the Luxembourgish National Commission for data protection. It was assured that there were no personal data protection issues and access to the data provided is confined to the information stated in the Labour code as requested for posted workers.</p> <p><i>Validity</i></p> <p>The Badge social remains valid as long as the employee stays under contract with his employer. If the badge is stolen, if it is lost or irreparable, the employer can simply print off a new badge from the online app.</p>
<b>Target groups and organisations involved</b>	<p><i>Target groups</i></p> <p>All posted workers working in any sector in both public and private organisations.</p> <p><i>Organisations involved</i></p> <ul style="list-style-type: none"> <li>- Inspection du Travail et des Mines (ITM)</li> <li>- General Directorate for SMEs and Entrepreneurship</li> <li>- Luxembourgish National Commission for Data Protection</li> </ul>
<b>Resources needed to implement the measure</b>	<p>To develop the badge and accompanying platform, 300 staff days were spent. The employer is not charged any fees, except the minimal cost of the piece of paper and the ink required to print the badge.</p>

<sup>93</sup> Eurofound

<sup>94</sup> Luxembourg Law, 1994


<sup>95</sup> Internal Market Information System, [https://ec.europa.eu/internal\\_market/imi-net/contact/index\\_en.htm](https://ec.europa.eu/internal_market/imi-net/contact/index_en.htm)

	<b>Outcomes</b>
<b>Achievement of objectives</b>	<p>This electronic platform enables applications to be made anytime and for the data recorded to be instantly reflected in the electronic data held. Therefore, a posted worker can be registered by a posting employer instantly and it will be instantly accessible by inspectors.</p> <p>Workplace inspections can be conducted quicker than would be the case if the badge did not exist. The QR code provides instant access to the information needed by inspectors to verify posted workers as legitimate.</p> <p>No detailed evaluation has been conducted of its impact on preventing undeclared work.</p>

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<b>Useful sources and resources</b>	<ol style="list-style-type: none"> <li>(1) Briganti, F., Machalska, M., Steinmeyer, H-D, Buelen, W. (2015) <i>Social Identity Cards in the European Construction industry</i>, Brussels: EFBWW/FIEC, <a href="https://www.efbww.eu/publications-and-downloads/reports-and-studies/nunc-auctor-elit-sit-amet-accumsan-pretium/36-a">https://www.efbww.eu/publications-and-downloads/reports-and-studies/nunc-auctor-elit-sit-amet-accumsan-pretium/36-a</a></li> <li>(2) EFBWW, FIEC (2020), <i>Tackling undeclared work in the construction sector: a toolkit</i>, Brussels, <a href="https://www.efbww.eu/publications-and-downloads/reports-and-studies/toolkit-of-the-efbww-and-fiec-to-tackle-undeclared-work-in-the-c/737-a">https://www.efbww.eu/publications-and-downloads/reports-and-studies/toolkit-of-the-efbww-and-fiec-to-tackle-undeclared-work-in-the-c/737-a</a></li> <li>(3) Kirov, V. (2013) <i>Identity card for construction sector</i>, <a href="https://www.eurofound.europa.eu/data/tackling-undeclared-work-in-europe/database/identity-card-for-construction-sector-luxembourg">https://www.eurofound.europa.eu/data/tackling-undeclared-work-in-europe/database/identity-card-for-construction-sector-luxembourg</a></li> <li>(4) Communication de détachement: <a href="http://www.itm.lu/home/formulaires/communication-de-detachement-de.html">http://www.itm.lu/home/formulaires/communication-de-detachement-de.html</a></li> <li>(5) Declaration de détachement: <a href="https://guichet.public.lu/en/entreprises/ressources-humaines/mobilite/detachement/declaration-detachement.html">https://guichet.public.lu/en/entreprises/ressources-humaines/mobilite/detachement/declaration-detachement.html</a></li> <li>(6) Détachement: <a href="https://itm.public.lu/fr/conditions-travail/detachement.html">https://itm.public.lu/fr/conditions-travail/detachement.html</a></li> <li>(7) Eurofound: <a href="https://www.eurofound.europa.eu/observatories/emcc/erm/legislation/luxembourg-notice-period-to-employees">https://www.eurofound.europa.eu/observatories/emcc/erm/legislation/luxembourg-notice-period-to-employees</a></li> <li>(8) Internal Market Information System: <a href="https://ec.europa.eu/internal_market/imi-net/contact/index_en.htm">https://ec.europa.eu/internal_market/imi-net/contact/index_en.htm</a></li> <li>(9) Luxembourg Law, 1994: <a href="https://legilux.public.lu/eli/etat/leg/loi/1994/06/17/n2/jo">https://legilux.public.lu/eli/etat/leg/loi/1994/06/17/n2/jo</a></li> </ol>



### 3.8 NETHERLANDS

	<p><b>Description</b></p> <p>NA</p>
<p><b>Background context</b></p>	<p>According to the 2019 Eurobarometer Survey no. 498 on undeclared work, 14% of all undeclared work in the Netherlands is in the repairs and renovations sector<sup>96</sup>. Therefore, to tackle undeclared work in this country, it is essential to address undeclared work in the construction sphere.</p> <p>In late 2013, the construction realm social partners were asked by the Dutch Tax and Customs Administration to explore the feasibility of a sectoral identity card. This led the social partners to develop a survey to assess the potential impacts of the introducing a sectoral ID card<sup>97</sup>. The working group established to undertake the survey included trade union and employer federation representatives and they received help from the Technisch Bureau Bouwnijverheid.</p> <p>In phase 1 from late 2013 until June 2014, four questions were addressed: the legal possibility for a card; what information should be on a card; who should own the card; and what the costs would be.</p> <p>Phase 2 then considered some further questions between October 2014 and December 2014. By June 2014, the group had identified 17 questions remaining unanswered. These included issues such as how to assure the authenticity of personal information submitted, how the IT system could be made resistant to fraud, and who could provide financial support to introduce the card. Answers were found by December 2014 in discussion with the labour inspectorate and the Ministry of Finance.</p> <p>Although the construction social partners initiated the idea of a card, they contacted associated industries to involve them in discussions to garner support for the concept, and also public authorities.</p> <p>Between January 2015 and March 2015, an action plan was formulated for its implementation. The plan included the idea of starting with experimental initiatives and an impact evaluation<sup>98</sup>. At present, it has still not been implemented.</p> <p>On December 19, 2019, the client of the Bouwplaats-ID Foundation, the Collective Labour Agreement parties for Construction &amp; Infra, have withdrawn the contract to develop, implement and operate the Bouwplaats-ID. The reason for this is the response that the parties to the collective agreement have received from the Ministry of Social Affairs and Employment that it is not possible to declare the collective agreement article regulating the use of the system generally binding. Since this was a condition of the collective labour agreement that formed the basis of the assignment for the foundation, it has lapsed. The Bouwplaats ID Foundation is now awaiting a possible new assignment from the parties to the collective labour</p>

<sup>96</sup> EFBWW and FIEC, 2020

<sup>97</sup> Briganti et al, 2015, pp. 33

<sup>98</sup> Bouwplaats ID




	agreement. Until it receives clarity about this, the activities of the foundation have ceased.
<b>Purpose and objectives</b>	<p>The aim of the identity card in the building sector is to facilitate health and safety in the industry and prevent illegal work arrangements.</p> <p>The stated objectives of a Social ID Card were to be the following<sup>99</sup>:</p> <ul style="list-style-type: none"> <li>- Working conditions: The ID card can indicate the time worked of workers.</li> <li>- Social security compliance: it can be used to determine social security rights due to the workers.</li> <li>- Social fund compliance: it can identify whether the correct contributions have been made to for instance the pension fund.</li> <li>- Health and Safety compliance: the card would enable a check of whether the requisite certificates are held to allow a worker onto the site and to do the required work. Using mobile apps, inspectors could check this.</li> <li>- Tax compliance: data could be used to check that appropriate taxes have been paid.</li> <li>- Qualification compliance: the card could verify either at the point of site entry or via databases when n site that the appropriate qualifications and certification is held by the employee to be on the site and doing the work they do. she/he is going to do.</li> </ul>
<b>Description of the measure</b>	<p><i>Mandatory/optional</i></p> <p>It was envisaged that such a card would be universal and mandatory on all construction sites.</p> <p><i>Technical solution</i></p> <p>Not introduced so no details available.</p> <p><i>Issuer</i></p> <p>The cards are advocated to be dispatched by an IT body either to employees directly, indirectly through an employer or to them through trade unions and employer federations<sup>100</sup>.</p> <p><i>Information collected/stored</i></p> <p>Not introduced this issue, so no details available.</p> <p><i>Legal basis</i></p> <p>Following legal advice, a decision was taken to minimise personal data on the card. Instead, the intention is to store personal information in a central database. The card does not exist so there is no legal basis.</p> <p><i>Institutions/organisations with access to the data</i></p> <p>An organisation to have legal control of the issuance of card was established and this organisation was envisaged as employing an IT body to create the IT data storage system and dispatch the cards. The social partners are represented in this body with overall control, as are social funds and social partners in additional</p>

<sup>99</sup> Bouwplaats ID

<sup>100</sup> Briganti et al, 2015, pp. 34



	<p>sectors. This organisation would possess an advisory council involving relevant government ministries.</p> <p>Data protection was considered important and the decision was taken to store little on the card and to deposit personal data in the IT system. Issues that would need to be resolved include assuring that explicit permission is given (informed consent) to process personal data and an agreement would be required on how to deal with data privacy issues.</p> <p><i>Validity</i></p> <p>No details available.</p>
<b>Target groups and organisations involved</b>	<p><i>Target groups</i></p> <p>The intention is that it would apply to all workers in the construction industry, including main contractors, all sub-contractors, all self-employed own-account workers without employers.</p> <p><i>Organisations involved</i></p> <p>No details available.</p>
<b>Resources needed to implement the measure</b>	No details since it has not been introduced.

	<b>Outcomes</b>
<b>Achievement of objectives</b>	<p>The card is still in the proposal stage. It has been put on hold.</p> <p>The Dutch social partners of the construction industry worked for some five years on a social ID card for the construction industry. The concept is ready. To implement it, the Dutch social partners have created the Foundation Bouwplaats-ID.</p> <p>It is not currently implemented because the proposed card sought an integration into public databases (mainly on taxes), so the Dutch legislation needed to be amended to make the collective agreement generally binding. The tax authorities were reluctant and the Ministry of Social Affairs unhappy with the proposed system of the social partners because it was not fraud-proof. Companies can manually modify data, which was a political compromise between the social partners.</p> <p>The tax authority and Ministry of Social Affairs has rejected the request to change the legislation. In July 2021, there is a new request for a legislative change. This is pending. Therefore, the card is not yet implemented.</p> <p>The lesson is that a sectoral ID-card needs to be supported by both social partners. For the Netherlands this is not really the case since the employer federations have not been pushing hard for the necessary legislative change.</p>

	<p>However, in 2021, a pilot project of social ID cards has been since organised by the labour inspectorate, tax authority and some large construction companies on large construction sites (+€500,000,000). The companies set up a badge and data-system with workers data linked to a gate check-in system. The building sites were fenced, so that all workers were obliged to enter the building site through the gate. At the workplace, the tax authorities had a permanent office to verify whether the gates and badges were properly used. Once a month, a data mining system combined the company data with the tax data. Based on this, the tax authorities could quickly determine the social contributions. The labour inspectorate also received the data to organize targeted inspections. However, during early 2021, the tax authorities decided to withdraw from the pilot.</p>
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### 3.9 NORWAY

	<p><b>Description</b></p> 
<p><b>Background context</b></p>	<p>In Norway, identity cards have existed in the construction industry since the start of 2008. By the construction industry is meant, for example, the construction of buildings, interior and installation work, the assembly and dismantling of prefabricated elements, demolition, renovations and repairs, sanitation and maintenance and groundwork. Identity cards are not required for building activities in stationary, permanent enterprises, such as shipyards or factories.</p> <p>This is a compulsory registration scheme implemented by the Norwegian government, albeit in conjunction with social partners<sup>101</sup>.</p> <p>To prevent undeclared work and social dumping, the Norwegian government had for several years been working on laws and regulations which require employers in the construction industry to supply all their employees with identity (ID) cards. The ID cards were introduced at the beginning of 2008 and are issued by the Norwegian Labour Inspection Authority (<i>Arbeidstilsynet</i>). The need for ID cards is partly attributed to the complex situation which often exists at larger construction sites, where many different contractors and sub-contractors are present. ID cards make it easier for the various regulatory authorities to conduct their monitoring activities, enabling them to identify which company an employee works for. In addition, ID cards are only issued to employees and employers that are registered in the relevant mandatory registers<sup>102</sup>.</p>
<p><b>Purpose and objectives</b></p>	<p>“HSE cards”/ “HMS-kort”/ “byggekort” are ID cards that workers must wear visibly when on a building or construction site in Norway. They provide Norwegian authorities and clients with an overview of who is working at a building or construction site, and who they are working for. The ID cards are used to increase security, prevent social dumping, and prevent undeclared work.</p>
<p><b>Description of the measure</b></p>	<p><i>Mandatory/optional</i></p>

<sup>101</sup> Nergaard and Svalund, 2009

<sup>102</sup> Eurofound

	<p>Mandatory. All workers, both Norwegian nationals and foreign workers, on construction sites, are required to possess an HSE card (HMS-kort). This card provides the identity of their employer and their identity.</p> <p>HSE cards are mandatory for all employees working on construction sites, including<sup>103</sup>:</p> <ul style="list-style-type: none"> <li>• Foreign employees working for foreign businesses in Norway.</li> <li>• Sole traders</li> <li>• Hired workers.</li> <li>• Employees in support functions (e.g., food provision) when they are within the boundaries of the construction site.</li> <li>• Workers regularly delivering goods to sites.</li> </ul> <p>Therefore, anybody on a construction site must have a card. If a worker is a part-time employee and also does self-employed work, they must have an HSE card for both employment relationships. There are requirements for registration for the employers and employees<sup>104</sup>.</p> <p>The employers must be officially registered in:</p> <ul style="list-style-type: none"> <li>• the Central Coordinating Register for Legal Entities (Enhetsregisteret)</li> <li>• the VAT register (Merverdiavgiftsregisteret)</li> </ul> <p>The worker must be registered in:</p> <ul style="list-style-type: none"> <li>• the National Population Register (Folkeregisteret) or the Central Office for Foreign Tax Affairs (Sentralskattekontoret for utenlandssaker)</li> <li>• the NAV State Register of Employers and Employees (Aa-registeret)<sup>105</sup></li> </ul> <p>A foreign worker must register with the Central Office for Foreign Tax Affairs. They then assign an ID number and keep data on its working practices.</p> <p><i>Technical solution</i></p> <p>HSE cards contain an RFID-chip, by which is meant a contactless microchip. The microchip holds data on the employee and the business for whom they work.</p> <p><i>Issuer</i></p> <p>The Norwegian Labour Inspection Authority has overall responsibility for issuing HSE cards under the regulations concerning HSE cards at construction sites (forskrift om HMS-kort på bygge- og anleggsplasser).</p> <p>A worker can work on a site before receiving a card, but the employer has to show evidence that the card has been ordered and the worker need to provide evidence of the business for whom they are working<sup>106</sup>. This can be an email that the card is ordered and in the latter case an employment contract. After the HSE cards have been ordered, the card issuer will normally send an e-mail to confirm that the order has been placed. The card issuer will normally send another e-mail when the order has been processed.</p>
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<sup>103</sup> Arbeidstilsynet

<sup>104</sup> Construction in Norway

<sup>105</sup> NAV Register

<sup>106</sup> Arbeidstilsynet

If the card order was successful, a pdf document with a QR code will normally be used attached to the second e-mail. This document can be used as a temporary HSE card for accessing the construction site until the HSE card has been produced and received<sup>107</sup>.

If the requisite details for registration are correct, the business normally receives the card within one week.

The identification cards are issued by Evry Card<sup>108</sup> who have a contract with the Norwegian Labour Inspection Authority. Before then, IDEMIA<sup>109</sup> printed the HSE cards. During the 2019-2024 contract period with Evry as the issuer, the intention is to introduce a digital version of HSE cards, to further improve oversight and prevent abuses.

#### *Information collected/stored*

The RFID-chip stores the following data<sup>110</sup>:

- name of the business and its number
- first and family names of the employee
- gender of the employee
- their date of birth
- number of the HSE card
- expiry/validity date of the HSE card

#### *Legal basis*

The Norwegian Labour Inspection Authority has overall responsibility for issuing HSE cards under the regulations concerning HSE cards at construction sites (forskrift om HMS-kort på bygge- og anleggsplasser).

To do so, it is necessary that they process personal data, cf. Article 6 (1) (e) of the GDPR. The Norwegian Labour Inspection Authority, represented by the Director, is the data controller. Evry Card Services AS is the data processor and handles HSE card orders and issues HSE cards on their behalf. All data is stored at Evry Card Services AS.

#### *Institutions/organisations with access to the data*

Employees must display their HSE card which must be valid and not expired during any inspection. The card must be visible at all times when on site. It must be shown, upon request, during inspections, that can be made by the following:

- representatives of the Norwegian Labour Inspectorate
- representatives of the Petroleum Safety Authority Norway
- representatives of the Norwegian Tax Administration
- staff of the police
- health and safety officials, and
- construction clients.

Businesses who fail to maintain compliance with the HSE stipulation must adhere forthwith. If they do not obtain HSE cards, then the employees will not be allowed


<sup>107</sup> Magnus Legal

<sup>108</sup> Card Issuing – EVRY

<sup>109</sup> IDEMIA website

<sup>110</sup> Arbeidstilsynet



	<p>to engage in their employment. Severe infringements are notified to the police and end up in imprisonment of a maximum of three months. Failure to comply can also result in the suspension of operations by order of the Norwegian Labour Inspection Authority until cards have been issued. The said authority is also able to give out penalties for this non-compliant action, with more serious cases passed to the police for action.</p> <p><i>Validity</i></p> <p>The HSE card shows which enterprise you work for and must be returned to the employer at the end of the employment period. To avoid misuse, the card must be destroyed. If the card is lost or stolen, the employer must order a new card.</p> <p>The cards are valid for up to 2 years. Companies who have ordered cards are contacted before the card expires to remind them to renew it.</p>
<b>Target groups and organisations involved</b>	<p><i>Target groups</i></p> <p>All businesses and workers operating on constructions sites. Anybody on a construction site must have a card. If a worker is a part-time employee and also does self-employed work, they must have an HSE card for both employment relationships.</p> <p><i>Organisations involved</i></p> <ul style="list-style-type: none"> <li>- The Norwegian Labour Inspection Authority (<i>Arbeidstilsynet</i>)</li> <li>- Evry Card</li> <li>- the Petroleum Safety Authority Norway</li> <li>- the Norwegian Tax Administration</li> <li>- Police</li> <li>- Health and Safety Officials</li> <li>- Construction Clients.</li> </ul>
<b>Resources needed to implement the measure</b>	<p>HSE cards can be ordered at the website: <a href="http://www.hmskort.no">www.hmskort.no</a></p> <p>The issuing of the HSE card is undertaken by Evry Card Services for the Norwegian Labour Inspection Authority and the cost is NOK 130 for a card, which includes the VAT and dispatch costs.</p> <p>Evry Card entered into an agreement in July 2019 with the Norwegian Labour Inspection Authority to produce and supply cards and provide customer support to the organisations that order the cards. It also runs daily searches of the public registers to check the validity of HSE cards. The agreement represents total contract value of approximately NOK 185 million over five years and includes the option for the Norwegian Labour Inspection Authority to extend it by a further two years. During the contract period, the intention is to introduce a digital version of HSE cards, to further improve oversight and prevent abuses.</p>

	<p><b>Outcomes</b></p>
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<b>Achievement of objectives</b>	All workers and businesses on construction sites use HSE cards. There has been no publicly available assessment of the impact of these cards on the level of undeclared work.
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	<p><b>Description</b></p> 
<p><b>Background context</b></p>	<p>According to the 2019 Eurobarometer Survey no. 498 on undeclared work, 13% of all undeclared work in Spain is in the repairs and renovations sector<sup>111</sup>. Therefore, to tackle undeclared work in this country, it is essential to address the issue of undeclared work in construction activities.</p> <p>In 2007, the <i>Tarjeta Profesional de la Construcción (TPC)</i> was designed by social partners and subsequently introduced via a collective agreement of the Spanish construction realm social partners. The social partners involved were the CNC employers' organization and trade unions were represented by FECOMA-CCOO and MCA-UGT<sup>112</sup>.</p>
<p><b>Purpose and objectives</b></p>	<p>The TPC Card enables workers to provide evidence of their health and safety training, their work experience and their qualifications<sup>113</sup>.</p>
<p><b>Description of the measure</b></p>	<p><i>Mandatory/optional</i></p> <p>Optional. The TPC card only applies to those construction workers working in businesses who fall within the remit of the National Construction Industry Collective Agreement<sup>114</sup>. The TPC card is available to any worker of any business that comes under the auspices of the collective agreement. Unemployed workers can also hold such a card if they have worked for a minimum of 30 days for the requisite businesses within the previous 36 months<sup>115</sup>.</p> <p><i>Technical solution</i></p> <p>Chip card with QR code. The TPC card holds very little visible information. The name of the worker is visible, and there is photograph of the worker. So too is the date of validity of the card and the ID number. All other personal data is available only via online access. To access the data, the informed consent of the worker is required.</p>

<sup>111</sup> EFBWW and FIEC, 2020

<sup>112</sup> Briganti et al, 2015, pp. 39

<sup>113</sup> Briganti et al, 2015, pp. 40

<sup>114</sup> Trabajo en construcción

<sup>115</sup> Briganti et al, 2015, pp. 41

	<p><i>Issuer</i></p> <p>The card scheme is organised by an organisation founded by the social partners. This is called the Fundación Laboral de la Construcción.</p> <p>To receive a card, an application is made by a worker to the Fundación Laboral de la Construcción, and this application must be accompanied by their National ID Card and an employment contract or receipt of salary which displays that they have been working in the sector, along with documentation of their social security payments<sup>116</sup>.</p> <p>To report their training, the workers have to submit the diplomas and certificates that they have been issued with. These are then checked by authorised personnel within the Fundación. Once these certificates have been verified and checked, then after also checking that they have the required health and safety training certificates, the Fundación makes the decision to issue a TPC and establishes an electronic file on that worker on its database<sup>117</sup>.</p> <p><i>Information collected/stored</i></p> <p>The database of the Fundación holds the following information: the name of the worker, their date of birth, their place of birth, their address and their telephone number, their work experience and last but not least, their training undertaken and qualifications held. This dataset can be viewed by the holder of the card (i.e., the workers), and upon receiving informed consent from the worker, it can also be viewed by their current employer.</p> <p>The end result is that this card and schemes allows the workers' health and safety training to be legally accredited in an efficient and effective manner. This electronic system for accreditation system means that workers can download their digitalised certificates, enabling them to easily and effectively display their qualifications.</p> <p>From the side of employers, the TPC has led to significant improvement in the quality of work conducted and worker safety has improved. It certifies those workers who have received different forms of occupational health and safety training in the realm of construction, and it additionally displays evidence of the work experience and evidence of their previous records of employment. From the side of workers, it is a tool for providing evidence of their training and qualifications, and their experience, which is regularly updated and available to employers to verify their skills and competencies<sup>118</sup>.</p> <p><i>Legal basis</i></p> <p>The TPC was a result of the National Construction Industry Collective Agreement and grounded in a mandate provided by Law 32/2006 on Subcontracting in the Construction Sector. It is allowed sectorial collective bargaining at national level to regulate a system of accreditation of specific training referring to the prevention of occupational hazards in the construction sector<sup>119</sup>.</p> <p><i>Institutions/organisations with access to the data</i></p>
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<sup>116</sup> Briganti et al, 2015, pp. 39

<sup>117</sup> Briganti et al, 2015, pp. 40

<sup>118</sup> Briganti et al, 2015, pp. 41

<sup>119</sup> TPC Card

	<p>Responsibility for the personal data and the management of the database, including the protection of the data, lies with the Fundación Laboral de la Construcción.</p> <p><i>Validity</i></p> <p>The TPC Card is valid for 5 years, renewable after that. Each holder of a TPC card is obliged to update their details and renew their card every 5 years in order to verify that they remain a construction worker. The foundation will also replace any stolen, lost, broken or damaged cards. It will not be necessary to present relevant documentation again. The owner may obtain a duplicate of it showing the identity card or residence card. The date of expiry of this duplicate will be the same as contained in the original card<sup>120</sup>.</p>
<b>Target groups and organisations involved</b>	<p><i>Target groups</i></p> <p>The cards are optional for both any Spanish national and any foreign worker operating Spain and the card is only applicable to those falling within the remit of the collective agreement. Other productive sectors such as metal and iron, following agreements with the Fundación Laboral de la Construcción, have included cards similar to the TPC in their respective collective agreements<sup>121</sup>.</p> <p><i>Organisations involved</i></p> <ul style="list-style-type: none"> <li>- Fundación Laboral de la Construcción</li> </ul>
<b>Resources needed to implement the measure</b>	<p>The investment made to introduce the TPC was circa €1 million. All costs of the TPC card are met by the Fundación, which receives funding from employers through the charge of a compulsory fee. This was agreed in the national collective agreement. The workers have no costs to pay<sup>122</sup>.</p>

	<b>Outcomes</b>
<b>Achievement of objectives</b>	<p>The TPC card has enabled the effective recording of training in health and safety training and ensured that such training is undertaken. The outcome has been a decline in work accidents in the construction sector. Between 2003 and 2013, the accident incidence rate, measured by the total number of work accidents among 100,000 workers has dropped by two-thirds, namely 66%. In real numbers, there were 142.78 accidents per 100,000 workers in 2003 but only 57.93 per 100,000 workers in 2013<sup>123</sup>.</p> <p>Even if it is voluntary to possess a TPC, there is pressure on workers to possess one. The TOC card is used widely to check evidence of their work experience, qualifications and training during the recruitment process, meaning that it has become rather necessary for workers to possess such a card.</p>

<sup>120</sup> Tarjeta Profesional de la Construcción



<sup>121</sup> TPC Card

<sup>122</sup> Briganti et al, 2015, pp. 40

<sup>123</sup> Briganti et al, 2015, pp. 41

	<p>The TPC card has facilitated that training ensues resulting in better training opportunities for workers. The resultant training has also reduced costs for businesses because they can certify whether training has occurred and not require repeated training. Prior to the creation of the TPC, employers often had to train their workers even when previous training had occurred because this previous training was not recorded anywhere.</p> <p>No detailed evaluation has been conducted of its impact on preventing undeclared work.</p>
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	<p><b>Description</b></p> 
<p><b>Background context</b></p>	<p>According to the 2019 Eurobarometer Survey no. 498 on undeclared work, 31% of all undeclared work in Sweden is in the repairs and renovations sector<sup>124</sup>. Therefore, to tackle undeclared work in this country, it is essential to address undeclared work in construction activities.</p> <p>According to the definition of the law, construction activity refers to business activities that relate to conversion, extension or new construction work, repair and maintenance work, demolition of buildings and other business activities that are conducted as support for such activities and which are not covered by the rules.</p> <p>The government requested the construction sector social partners to take actions to resolve the undeclared work in their sector. The <b>ID06</b> was the response provided by the social partners. In 2007, after two years of discussion and design, they were implemented. The scheme included the creation of a forum composed of several organisations, namely the Employers' Association of the Swedish Plate Works, the Swedish Construction Federation, the Swedish Earth Moving Contractors, the Swedish Association of Plumbing, HVAC Contractors Swedish Electrical Contractors Association (EIO), the Association of the Glaziers' Business, and the Swedish Association of Painting Contractors<sup>125</sup>.</p> <p>In addition, a new law on electronic registration of workers on construction sites was introduced from 1 January 2016<sup>126</sup>. This act obliges employers to notify the Swedish Tax Authority when a new construction activity commences and to keep a register of staff employed. Since 1 of October 2016, ID06 is operated as its own company, ID06 AB.</p>

<sup>124</sup> EFBWW and FIEC, 2020

<sup>125</sup> Briganti et al, 2015, pp. 42

<sup>126</sup> Skatterverket

<b>Purpose and objectives</b>	The main purpose of both the ID06 and electronic presence monitoring is to prevent undeclared work and promote fair competition between firms. The intention is to use pre-registration of workers on sites, the need to prove identity and the reporting of workplace staff attendance to ensure that it is ever more difficult for undeclared and unregistered workers to operate on worksites <sup>127</sup> .
<b>Description of the measure</b>	<p><i>Mandatory/optional</i></p> <p>ID06 did not appear as a mandatory card. There was neither a legislative basis nor a collective agreement making it mandatory. Rather, employer and employee representative organisations had created a system that any contractor can decide to use if they wish. If they did, they could make ID06 compulsory for anybody on their worksite. They could also decide to implement a penalty system if workers did not wear their cards<sup>128</sup>.</p> <p>When ID06 was first implemented, large contractors tended to ask for these cards in their contracts with subcontractors. This was done on a construction site by construction site basis. The 2016 law makes it mandatory. Since 1 January 2016, electronic files of the personnel present have been mandatory on most construction sites in Sweden. ID06 is an electronic system which registers all the workers employed on the construction sites and is required of all the companies active in the construction sector in Sweden<sup>129</sup>.</p> <p><i>Technical solution</i></p> <p>Chip card. The chip has read-/write-keys. There is visual information which allow to avoid copying, for example a metal-foil, but also hidden information. Data are updated using the RFID-chip<sup>130</sup>.</p> <p>An ID06 card in Sweden is defined as possessing what is termed a level 2 confidence of assurance (LoA2), which is not the highest level of assurance. The name of the worker, their photograph, and their card number are all engraved using a laser onto the card. The result is that the data cannot be erased. The data that is engraved visibly on the card is also present in an invisible certificate on the card. Those who use their ID06 cards as entry keys such as to enter buildings, construction worksites or to start specialist machines, must add these supplements to their card.</p> <p><i>Issuer</i></p> <p>The social partners manage and control ID06 through the Swedish Construction Federation, which is the head organisation of the Byggbranschen I Samverkan (Construction Industry in Cooperation) and it is they who give the accreditation to the various card suppliers issuing the card. It is also this organisation that provides a list of the cards that are valid and the cards which have been withdrawn<sup>131</sup>.</p> <p>It is the responsibility of the employer to order the card for the worker. This is most commonly done via a website which the employer can visit, register as an employer and then order the card for workers. Alternatively, large businesses might apply to become accredited as a card supplier themselves for their workers. When a worker receives the card, they must complete an informed consent form to accept the card</p>

<sup>127</sup> Briganti et al, 2015, pp. 44

<sup>128</sup> Briganti et al, 2015, pp. 42

<sup>129</sup> About ID06

<sup>130</sup> Briganti et al, 2015, pp. 43

<sup>131</sup> Briganti et al, 2015, pp. 42

and the use of the data contained on it. All the accredited card suppliers are responsible for checking the information on a card and for errors which may result in their loss of ability to accredit. After the card is issued to the worker, no more checks are undertaken, except that it is cross-checked with their national ID card or passport on worksites<sup>132</sup>.

#### *Information collected/stored*

It is the responsibility of the employer to provide the required data. The card contains visual information but also hidden data protected by a passkey chip. The visual information is the name of the worker, a photograph of them the name of their current employer including the VAT number of the employer, and the number of the ID06 card. All other information is hidden. Site supervisors can choose whether they require manual or electronic registration with the card on any worksite.

ID06 have several uses such as attendance registration in electronic staff ledger, digitalization of certificates, business control and entry- and lock system<sup>133</sup>.

The electronic ledger is kept by the contractor and this database includes information on all contractors and workers on the construction site. There is a central database that contains information on all valid cards and blocked cards. However, all worksites connected also keep their own dataset of staff working there. The data can be examined at any time not only by those controlling the site but also by the tax authority. This includes the amount of time each workers spends working<sup>134</sup>.

#### *Legal basis*

ID06 is an electronic personnel register that meets the requirements set out in Chapter 9, Section 5 of the Tax Procedure Ordinance (2011:1261) and the Swedish Tax Agency's regulations SKVFS 2015:6<sup>135</sup>.

#### *Institutions/organisations with access to the data*

The Swedish Tax Agency (*Skatteverket*) may visit a construction site to check that those who perform work there are recorded in the personnel register. The staff log must be available at the visit. During the visit, the Swedish Tax Agency may check the identity of those who carry out work on the construction site. Using unannounced visits, *Skatteverket* can also inspect the electronic register of staff on an unannounced basis. They charge a fee if the staff log is not properly maintained or not available when they visit. The inspection fee is SEK 12,500 plus the fine for everyone on the worksite when an inspection occurs, but not in the electronic register of staff, is 2,500 SEK per worker per day. The inspection fee is SEK 25,000 if the client (or the person who has taken over responsibility for the personnel logger) has not notified when the construction activity is to begin and where it is to be conducted<sup>136</sup>.

The body responsible for ID06 (the register) in Sweden had forged an agreement with the ID06 equipment supplier to ensure that the latter: (a) archives the register according to the rules of the Tax Procedure Act; (b) is deemed the data processor for this data archiving while the body responsible for the register is the data controller;

<sup>132</sup> Briganti et al, 2015, pp. 43

<sup>133</sup> ID06-General Provisions


<sup>134</sup> Brunk, 2009

<sup>135</sup> VAT Brochure

<sup>136</sup> Staff Register



	<p>(c) only uses data in adherence with the data controller's instructions, and (d) adopts data protection measures to ensure data security. Based on this agreement, the body whose contractor register is archived is viewed as having a data processing agreement with the ID06 equipment supplier. If a body decides to archive the data themselves after a construction project is completed, then this is acceptable but there will be no data processing agreement with the supplier<sup>137</sup>.</p> <p><i>Validity</i></p> <p>The validity of the card is five years. A new card is issued if the employment of a worker changes or they change their name. Any card that is broken, lost or stolen is replaced, and the old card blocked.</p>
<b>Target groups and organisations involved</b>	<p><i>Target groups</i></p> <p>The ID06 is used on both public and private construction projects and for both Swedish nationals and foreign workers. Most of the construction worksites on which ID06 is used tend to have a fenced boundary and electronic entry gates. It is much less common on smaller worksites and is rarely if ever used by homeowners<sup>138</sup>.</p> <p>The 2016 Act is only valid for construction sites where the total construction cost is over 178.000 SEK (circa £19.000) or where the client is not a consumer.</p> <p><i>Organisations involved</i></p> <ul style="list-style-type: none"> <li>- The Swedish Construction Federation</li> <li>- The Swedish Tax Agency (<i>Skatteverket</i>)</li> <li>- ID06AB</li> </ul>
<b>Resources needed to implement the measure</b>	<p>The costs of ID06 are met by the employer. The cost for an employer of each card is €10. There are further costs that employers must pay. There is an initial fee of €60 per business to register in ID06 and a €55 annual for each business<sup>139</sup>.</p> <p>ID06 AB has 20 employees and generates US\$13.92 million in sales.</p>

	<b>Outcomes</b>
<b>Achievement of objectives</b>	<p>The card was widespread even before the 2016 legislation. In Sweden, it was widely seen an important tool for tackling undeclared work in the sense that it acted as a tool for registering who was on construction worksites and for controlling access to worksites.</p> <p>In 2013, a complementary skills database project commenced in the Swedish Construction Federation. It was perceived ID06 was a useful way of providing a central means of checking the qualifications and competencies of workers<sup>140</sup>. At the time of writing, there are no outcomes from this project.</p>

<sup>137</sup> ID06-General Provisions

<sup>138</sup> Briganti et al, 2015, pp. 42

<sup>139</sup> Briganti et al, 2015, pp. 43

<sup>140</sup> Briganti et al, 2015, pp. 44



	No detailed evaluation has been conducted of the impact of ID06 on preventing undeclared work.
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## **4. Comparative analysis of social ID cards: differences and similarities**

To compare the differences and similarities in the social ID cards identified in Section 3, this section examines the:

- (1) different purposes and objectives of social ID cards
- (2) different characteristics of social ID cards
- (3) different target groups and organisations involved
- (4) resources and costs
- (5) outcomes.

Table 1 provides a summary comparison of the difference and similarities between the social ID cards reviewed in the previous chapter. The exception is the Netherlands scheme since it is a proposal and has not been implemented.

**Table 1 – Typology of analysed social ID cards**

Countries	Belgium	Finland	France	Iceland	Italy	Lithuania	Luxembourg	Norway	Spain	Sweden
<b>Name</b>	ConstruBadge	Valtti	BTP	Vinnustaðaskirteini	Tessera di riconoscimento	Employee ID	Badge Social	HSE	TPC	ID06
<b>Year started</b>	2014	2014	2006	2010	2006	2003	2013	2008	2007	2007
<b>Purposes</b>										
Worker ID	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
OSH	No	No	No	No	No	No	No	No	Yes	No
Training	No	No	No	No	No	No	Yes	No	Yes	No
Sector work experience	No	No	No	No	No	No	No	No	Yes	No
Tackling undeclared work	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
<b>Participation</b>	Voluntary	Mandatory	Mandatory	Mandatory	Mandatory	Voluntary	Mandatory	Mandatory	Voluntary	Mandatory
<b>Card</b>										
Visual Information	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Data chip	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Fraud resistant	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
Issuance	Centralised	Decentralised	Decentralised	Decentralised	Decentralised	Decentralised	Centralised	Centralised	Centralised	Both
<b>Legal basis</b>	Agreement of social partners	Law	Law & Agreement of social partners	Law & Agreement of social partners	Law & collective agreements	Agreement of social partners	Law	Law	Collective agreement & law	Law
<b>Responsible actors</b>	Social partners	Employer	Employer	Social partners	Paritarian institution or employer	Employer or customer	Public authority	Public Authority	Paritarian institution	Social partners
<b>Costs paid by</b>	Employer	Employer	Employer	Employer	Paritarian institution or employer	Employer or customer	Employer/posting company	Government	Paritarian institution	Employer
Applies to posted workers	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes

Source: own analysis

#### **4.1 Purposes and objectives of social ID cards**

All of the existing social ID cards in the construction sector were created in the 2006 – 2014 period.

Social ID cards are developed for several purposes:

- worker ID
- occupational security and health
- recording training/education
- recording sectoral work experience
- tackling undeclared work.

All the social ID cards reviewed are used as a tool for worker identification and nearly all for the purpose detecting and preventing undeclared work. The “worker ID” function of the card is used as an identification tool during inspections. Increasingly, however, they are also used for a wider range of purposes.

On the one hand, they are a means of recording and storing additional key information. This includes recording training of both a professional and vocational nature, educational qualifications, and sectoral working experience. In Spain, for example, the TPC scheme informs employers whether workers have undertaken occupational health and safety (OSH) training and all other qualifications and training undertaken by workers, including their work experience, as well as their employment record in construction activities. For the workers, the TPC schemes is a way of recoding their training and qualifications. It is similarly the case in Luxembourg that social ID cards are used to record training. However, overall, most social ID cards do not record training and work experience in the analyzed 10 countries.

On the other hand, they can be used as an electronic key to gain access to a construction site which has electronically controlled access and can also act as a “stamping machine” to not only ensure that people sign in and out, but also to record working hours spent on the construction site. Indeed, this has become ever more common as digital technologies on construction sites have become more popular. As cards have moved away from being simple paper-based identity cards with a picture of the worker, and the name of the worker and employer, and have become digital cards with a chip, this use of social ID cards has become more commonplace. This means that social ID cards can also become registration cards recording who is working on construction sites and their working hours on the construction site.

#### **4.2 Characteristics of the social ID cards**

To summarise the differences and similarities in the characteristics of social ID cards, the following dimensions of them are compared:

- mandatory/optional
- technical solution
- issuer
- information collected/stored
- legal basis

- institutions/organizations with access to data.

### *Mandatory/optional*

Examining the social ID cards in the ten countries covered in Table 1, they are mandatory in seven countries (Finland, France, Iceland, Italy, Luxembourg, Norway, and Sweden) and voluntary in three countries (Belgium, Lithuania, and Spain). This snapshot, however, hides the trends over time within countries. Within countries, social ID cards have tended to commence as voluntary initiatives organised by social partners, often on a small-scale, and have then transitioned over time into more mandatory and universal initiatives, often with a legal basis. This is the trajectory in many of the countries considered (e.g., Belgium, Finland, Sweden). In most countries examined, therefore, there is a transition from social ID cards as voluntary initiatives organised by social partners and towards social ID cards as more mandatory and universal initiatives. All countries are on this continuum and the direction of travel is towards them becoming ever more mandatory and universal. However, in various countries, limitations are sometimes put on the construction sites to which they apply. Often, for example, home maintenance and repair sites are excluded (e.g., Finland) and on commercial building sites, ID cards are sometimes not compulsory on some sites, such as low-value construction projects.

### *Technical solution*

In all ten countries examined, social ID cards now have a data chip and in eight out of ten countries, they are fraud resistant. Again, a clear trend over time can be identified. In the early years of social ID cards, some were simple paper-based identity cards with a picture of the worker, and the name of the worker and employer. Increasingly, however, in all countries studied, social ID cards have become digital cards with electronic RFID data transmission chips. This potentially enables a wide range of information to be collected and stored on the card. In eight out of the ten countries analysed, the cards are also in possession of fraud-resistance systems (i.e., ID chips, holograms, watermarks). The exceptions are Italy and Lithuania.

This shift towards social ID cards becoming digital cards with electronic RFID data transmission chips is a positive development. This is because it enables social ID cards not only to be used as a worker ID card but also as registration cards recording who is working on construction sites and their working hours on the construction site, and a means of recording and checking worker training, qualifications and work experience.

### *Issuer*

In four of the ten countries studied, issuance is centralised (Belgium, Luxembourg, Norway, and Spain). In five of the remaining countries, issuance is decentralised (Finland, France, Iceland, Italy, and Lithuania) and in one both (Sweden). Again, however, there are clear trends over time within countries. As cards have become mandatory and universal in a country, the trend is towards centralisation so far as issuance of ID cards are concerned.

### *Information collected/stored*

The information collected/stored on ID cards varies between countries. Some store only minimal information whilst others are more comprehensive in the data stored and collected. The trend over time, nevertheless, is towards using social ID cards to collect and store an ever-wider range of information. This is a beneficial development and enables social ID cards to be used not only as a worker ID card but also as a registration card recording who is working on construction sites and their working hours on the construction site, and a means of checking

worker training, qualifications, and work experience.

In Belgium, for example, 28 different sets of data are stored, including their photograph and name, the name of their employer, employer and employee identification numbers, card number, barcode, and validity date; training received, health and safety certificates possessed, their career history in construction activities, personal data including whether they have a driver's license and particular applications such as whether they have access to buildings and particular machines.

#### *Legal basis*

In four countries, there is a legislative basis top social ID cards (Finland, Luxembourg, Norway and Sweden) whilst in another four countries there is both a legislative mandate and a social partner agreement and/or collective agreement (France, Iceland, Italy, Spain). In the remaining two countries, the basis is a social partner agreement (Belgium, Lithuania). However, there is again a trend over time. This trend is that as social ID cards have shifted from being voluntary initiatives organised by social partners towards mandatory initiatives, there has been a shift in the legal basis of social ID cards away from social partner agreements and collective agreements, and towards the use of legislative initiatives as their legal basis. Again, this is a beneficial trajectory since it providing a legal mandate for them becoming mandatory initiatives that are universally used.

#### *Institutions/organizations with access to data*

Usually, it has been the inspectors of nominated enforcement authorities alone who can compare the data and information on the cards with wider registries of employment. Even where social partners have been used as inspectors of ID cards (e.g., Iceland), these inspectors send the information stated on the cards to the labour inspectorate, tax authorities, social security authority, police and Directorate of Immigration when relevant, who can then cross-check the employer and/or the employees.

### **4.3 Target groups and organisations involved**

#### *Target groups*

Although the target groups are normally construction workers and construction sites, the breadth with which a construction worker and construction site is defined varies between countries. Some countries adopt wider definitions of which construction workers and construction sites are included than others. The tendency over time has been for ever wider range of construction workers and sites to be included.

In Finland, for example, the obligation applies to a wide range of workers including architects, security guards, the self-employed, and investors' representatives. This is compulsory even for those on site for less than an hour. However, those temporarily delivering goods to the worksite do not need one. Worksites owned by individuals building a home for their own use are exempted.

A measure of which target groups and organisations should be involved is to assess the prevalence of non-compliant behaviour among different types of construction worker and site. Where there is non-compliance, then there is a rationale for including them within the scope of

a social ID card.

### *Organisations involved*

What regards the organisations involved, they often include employers, social partners, paritarian institutions and public authorities. In 3 of the 10 countries, the social partners are the responsible actors (Belgium, Iceland and Sweden), in 2 are the employers (Finland and France), in 2 they are the public authorities (Luxembourg and Norway), a paritarian institution for Spain, a paritarian institution or an employer for Italy, employer or client for Lithuania.

Over time, as social ID cards have shifted in many countries away from voluntary to mandatory initiatives, the responsible actors have shifted away from being the sole responsibility of social partners and towards the greater involvement of public authorities. Indeed, for example in Norway, it is the labour inspectorate which has driven the introduction of ID cards. It is therefore the case that the social partners in the construction sector can act as a catalyst for the introduction of social ID cards and then move towards greater cooperation with the public authorities over time.

## **4.4 Resources and costs**

Although in most countries, it remains the employer who remains ultimately responsible for the costs of introducing and supplying social ID cards (Belgium, Finland, France, Iceland, Sweden), in some exceptional cases (e.g., Norway), it is the government that shoulders the costs of social ID cards.

In many countries, a paritarian organisation is created to operate these ID card systems (e.g., Belgium, Italy, Spain, Sweden). In Belgium, the quarterly contributions that employers give to fbz-fse Constructiv cover the costs, whilst in Sweden since 1 of October 2016, ID06 is operated as its own company, ID06 AB, with employers bearing the costs of issuing the card. Indeed, the lesson is that the development of a paritarian organisation to operate social ID cards appears to be a useful initiative in the early stages of the development of a social ID card system.

However, it should be noted that although all information in the public realm that is accessible has been included in this analysis, little detailed evidence is available on this issue.

## **4.5 Outcomes**

Until now, and like many other policy initiatives, there has been little post-hoc formal evaluation of the outcomes of the use of social ID cards.

In Finland, one proxy measure of their effectiveness is that after the tax number was put on social cards, the tax authorities found that in the first 18 months (after September 2012) when it was introduced, tax revenues increased by bear enough €500 million and salary payments increased almost 9% in January 2014 compared with January 2013. In this same period of time, construction activity had been declining. This tentatively reveals how their introduction resulted in a decline in undeclared work in that the construction businesses became aware of who was employed on their worksites.

In Spain, between 2003 and 2013, the accident incidence rate, measured by the total number of work accidents among 100,000 workers has dropped by two-thirds, namely 66%. In real numbers, there were 142.78 accidents per 100,000 workers in 2003 but only 57.93 per 100,000 workers in 2013.

However, no detailed evaluations have been conducted of the impact of social ID cards on preventing undeclared work in any country introducing these cards. This is also the case with other policy measures seeking to prevent undeclared work. Indeed, this has been recently recognised by DG EMP in the European Commission. In late 2021, they have commissioned a project (VT/2021/008) to evaluate the effectiveness of policy initiatives to tackle undeclared work due to the widescale absence of evidence on their impacts and outcomes.

On social ID cards, as seen above, nearly no evidence is available on the percentage use, the impact of these cards on undeclared work, etc. Although at the time of writing, the final decision on which policy measures to evaluate has not been taken (the final decision is unlikely to be taken before 2022), a proposal has been made to undertake an in-depth detailed evaluation of the effectiveness of the social ID card in preventing undeclared work in one EU member state. If this is undertaken, it will provide much needed new evidence on the effectiveness of social ID cards in preventing undeclared work.

The design of a social ID card system, therefore, should build into its design a means of evaluating its effectiveness. Unless this is done, then it will not be possible to evaluate whether it has been effective in achieving its objectives.



## 5. Legal issues related to the implementation of social ID cards

Before addressing some of the legal issues, it must be recognised that the social ID card is an initiative that is continuously evolving across Europe. It is also advised that the legal issues discussed in the 2015 report<sup>141</sup> are read in conjunction with the more contemporary legal developments and issues addressed in this analysis. However, it is important to recognise that many of the legal issues related to social ID cards can only be answered in a general manner since the specific legal issues is dependent on the precise design and usages of the card and also the specific legal environment existing in particular EU member states.

### Mutual Recognition

The principle of mutual recognition, in the light of the Cassis de Dijon Doctrine, is that if something is accepted in one Member State, then it should be accepted in other Member States. This principle facilitates the Internal Market<sup>142</sup>.

Indeed, in 2021, in this spirit of mutual recognition, the EFBWW, ETUC, EFFAT, ETF, EPSU, UNIEuropa and industriAll dispatched both a letter as well as a joint report, which included a call to action, to implement digital tools to enforce mobile workers' rights in the EU Internal Market<sup>143</sup>. It requested that the European Commission should confirm whether the **European Social Security Pass (ESSP)** would be launched as well as to advance progress on launching it from the year 2023 to the year 2022. The ESSP, it was argued, could also possess a **European Social Security Number (ESSN)** for all workers in the EU. It was asserted that this would enhance the portability of workers' social security benefits and workers' rights and also facilitate the validation of social security on a cross-border level. In order to further enhance mobile worker rights and tackle social fraud on a cross-border level by companies, a call was additionally made for cross-border digital tools to be developed and for enhanced coordination at both the national as well as European level.

This letter and report call for the introduction of a **European Personal Labour Card (EPLC)** for all EU citizens and third-country nationals active on the European labour market. With the European Health Insurance Card as a basic concept, European institutions do not have to start from scratch. EPLC can be integrated into one system with the ESSN, the ESSP, the Exchange of Social Security Information (EESSI), and the future European E-ID. Thus, the EPLC should be presented together with the ESSP/ESSN<sup>144</sup>.

An EPLC for workers would facilitate controls at the workplace and improve companies' compliance with social regulations and workers' rights. An effective control always starts with the registration of the worker and their employment and social status, followed by a digital verification in employment and social databases. Therefore, the card should contain information

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<sup>141</sup> Briganti et al, 2015

<sup>142</sup> Guidance document for the application of Regulation (EU) 2019/515 of the European Parliament and of the Council on the mutual recognition of goods lawfully marketed in another Member State

<sup>143</sup> EFBWW, 2021

<sup>144</sup> European Parliament resolution on the introduction of a European Social Security number with a personal labour card

about the worker and the employment relationship, including<sup>145</sup>:

- A European ESSN with an electronic chip to connect the card to relevant database(s).
- The employer.
- The workplace.
- The working period and contractual relationships.
- Social security coverage.
- Relevant insurance information.
- Information on certificates.
- Tax information.

However, the proposal is not that the EPLC card should replace the well-functioning social ID-cards that exist today within European states (see section 3). Instead, the European initiative would use national, local, sectoral, and European experiences. Sectoral, national, and European social partners would be involved in the design and management of the EPLC, with due regard to national law and practices.

## **Rules on Data Protection**

The General Data Protection Regulation (GDPR) provides the general framework for data protection<sup>146</sup>. There are three main types of concern in relation to social ID cards and data protection<sup>147</sup>:

- The first relates to the lack of sufficient knowledge by labour and tax inspectors in EU member states on the proper implementation of data protection rules (in their own country and in other EU member states), resulting in a lack of awareness of what data can or cannot be exchanged.
- The second relates to the lack of human capacity (e.g., data protection officers) and technical capacity (e.g., secure devices, encryption systems).
- The third issue raised relates to the need for national legislation which regulates the access, use and transfer of personal data by labour and social security enforcement authorities.

EU member states concerned about the correct application of data protection rules can learn from the practices applied in other countries. In Belgium, for instance, there is no specific data protection legislation for each of the Belgian databases used in relation to social ID cards at the Crossroads Bank. General data protection rules as well as sector-specific rules in the field of social criminal law, social security and labour law apply. This has allowed Belgium to have one of the most developed database infrastructures which underpins their activities to tackle undeclared work.

Thus, it can be concluded that data protection does not hinder the implementation of social ID cards. Options include:

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<sup>145</sup> New digital tools for enforcing mobile workers' rights

<sup>146</sup> Data protection under GDPR:

<sup>147</sup> European Platform Tackling Undeclared Work (2019)

- processing and transferring the data based on clearly defined "legitimate interest"<sup>148</sup>
- linking the undeclared work case with an investigation of a related criminal offence (e.g., tax avoidance, human trafficking) and/or working in collaboration with the police, tax authorities, prosecution services.
- updating secondary legislation, regulations, and procedures to state the responsibilities and powers of enforcement authorities more clearly.
- during the data collection stage, clearly specifying that the data gathered could be used for performing checks for potential undeclared work or labour law infringements. It would be advisable that appropriate clarification texts be included in the registration forms, declarations and other templates filled in by data subjects.

It is therefore recommended that when designing social ID cards:

- Data Protection Officers (DPOs)<sup>149</sup> in enforcement bodies to provide advice on
  - whether the personal data is legally obtained for a specific and explicit purpose and may be further processed in a manner compatible with that purpose
  - which safety rules should be used (e.g., securing files with passwords).
- Consider undertaking an expert assessment on the existing legal baselines to clarify the existing purposes for personal data processing within the labour inspectorates, social security and tax authorities, customs, etc. This could include an overview of the laws, establishing and governing the public institutions; their (online) privacy statements; the legal notices on the declarations, forms and templates used for gathering personal data<sup>150</sup>.

In sum, data privacy and data protection are not a constraint to the implementation of social ID cards so long as GDPR requirements are followed, such as stating during the data collection stage to apply for an ID card that the data gathered could be used for performing checks for potential undeclared work or labour law infringements.

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<sup>148</sup> GDPR Article 6, Lawfulness of processing, <https://gdpr-info.eu/art-6-gdpr/>

<sup>149</sup> About Data Protection Officer

<sup>150</sup> GDPR Checklist

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Useful sources and resources	<p>(1) *** (2021), <i>Guidance document for the application of Regulation (EU) 2019/515 of the European Parliament and of the Council on the mutual recognition of goods lawfully marketed in another Member State</i>, <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021XC0323(02)&amp;rid=2">https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021XC0323(02)&amp;rid=2</a></p> <p>(2) *** (2021), <i>New digital tools for enforcing mobile workers' rights</i>, <a href="https://www.etf-europe.org/wp-content/uploads/2021/05/Digital-tools_final_GB_04_05_2021-002-1.pdf">https://www.etf-europe.org/wp-content/uploads/2021/05/Digital-tools_final_GB_04_05_2021-002-1.pdf</a></p> <p>(3) Briganti, F., Machalska, M., Steinmeyer, H-D, Buelen, W. (2015) <i>Social Identity Cards in the European Construction industry</i>, Brussels: EFBWW/FIEC, <a href="https://www.efbww.eu/publications-and-downloads/reports-and-studies/nunc-auctor-elit-sit-amet-accumsan-pretium/36-a">https://www.efbww.eu/publications-and-downloads/reports-and-studies/nunc-auctor-elit-sit-amet-accumsan-pretium/36-a</a></p> <p>(4) EFBWW (2021), <i>New digital tools for enforcing mobile workers' rights</i>, <a href="https://www.efbww.eu/news/new-digital-tools-for-enforcing-mobile-workers-rights/2178-a">https://www.efbww.eu/news/new-digital-tools-for-enforcing-mobile-workers-rights/2178-a</a></p> <p>(5) European Parliament (2021), <i>European Parliament resolution on the introduction of a European Social Security number with a personal labour card</i>, <a href="https://www.europarl.europa.eu/meetdocs/2014_2019/plmrep/COMMITTEES/EMPL/RE/2021/06-14/1228335EN.pdf">https://www.europarl.europa.eu/meetdocs/2014_2019/plmrep/COMMITTEES/EMPL/RE/2021/06-14/1228335EN.pdf</a></p> <p>(6) European Platform Tackling Undeclared Work (2019), <i>Seventh Plenary Meeting of the European Platform Tackling Undeclared Work</i>: <a href="https://ec.europa.eu/social/BlobServlet?docId=22541&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=22541&amp;langId=en</a></p> <p>(7) About Data Protection Officer: <a href="https://edps.europa.eu/data-protection/data-protection/reference-library/data-protection-officer-dpo_en">https://edps.europa.eu/data-protection/data-protection/reference-library/data-protection-officer-dpo_en</a></p> <p>(8) Data protection under GDPR: <a href="https://europa.eu/youreurope/business/dealing-with-customers/data-protection/data-protection-gdpr/index_en.htm">https://europa.eu/youreurope/business/dealing-with-customers/data-protection/data-protection-gdpr/index_en.htm</a></p> <p>(9) GDRP Checklist: <a href="https://gdpr.eu/checklist/">https://gdpr.eu/checklist/</a></p>

## 6. Potential impact of social ID cards in construction sector in Romania

As mentioned in the previous sections too, no detailed evaluations have been conducted of the introduction of social ID cards or of the impacts of social ID cards on preventing undeclared work in analysed countries or in any country introducing these cards. This is not confined to social ID cards. It is also the case with other policy initiatives to tackle undeclared work. The lack of evaluations of the impact of social ID cards on tackling undeclared work is therefore explicitly recognised by the European Commission, Directorate General on Employment, Social Affairs and Inclusion in the European Commission<sup>151</sup> who in late 2021 commissioned a project (VT/2021/008) to evaluate the effectiveness of policy initiatives to tackle undeclared work due to the widescale absence of evidence on their impacts and outcomes.

However, there is an overwhelming consensus that the introduction of social ID cards has reduced, if not eliminated, the presence of undeclared workers on construction sites where they are used.

As a result of this lack of evaluation in other countries of the impacts of introducing social ID cards, it is difficult to extrapolate the implications for the construction sector in Romania. For example, there are no studies which can enable one to conclude that on average there has been for example an 80% reduction in the use of undeclared workers on construction sites<sup>152</sup>.

Here, therefore, the potential impact of the introduction of social cards on construction sites is evaluated by analysing the current level of undeclared work in Romania and its concentration in the Romanian construction sector. One can then extrapolate the impact of reducing this with social ID cards.

Before doing so, it is worthwhile reviewing the statistical calculations regarding firstly, the changing size of the shadow economy in Romania, and secondly, the estimates of the European Working Conditions Survey (EWCS) on the changes over time in the level of unregistered employment in Romania<sup>153</sup>. Here, a caveat is important. On the former data on the shadow economy, it is important to note that the shadow economy is different to undeclared work:

“If the goods and services provided are unlawful (e.g., the production or trafficking of drugs, firearms, persons, or money laundering forbidden by law), it is part of the wider criminal economy i.e., the **shadow economy** (often defined as including both the undeclared economy and the criminal economy).<sup>154</sup>”

The shadow economy, therefore, includes a wider range of economic activity than the undeclared economy. Meanwhile, and on the data in the EWCS on unregistered employment, it is important to recognise that this is just one type of undeclared work, namely undeclared waged employment without a contract and where the earnings are not declared. Statistical calculations of unregistered employment do not include statistics of the prevalence of undeclared waged employment (where a formal employer provides a formal employee with a declared wage as well as an additional envelope – undeclared - wage) and do not include

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<sup>151</sup> European Commission – Employment, Social Affairs and Inclusion website

<sup>152</sup> Kurzarbeit in Romania

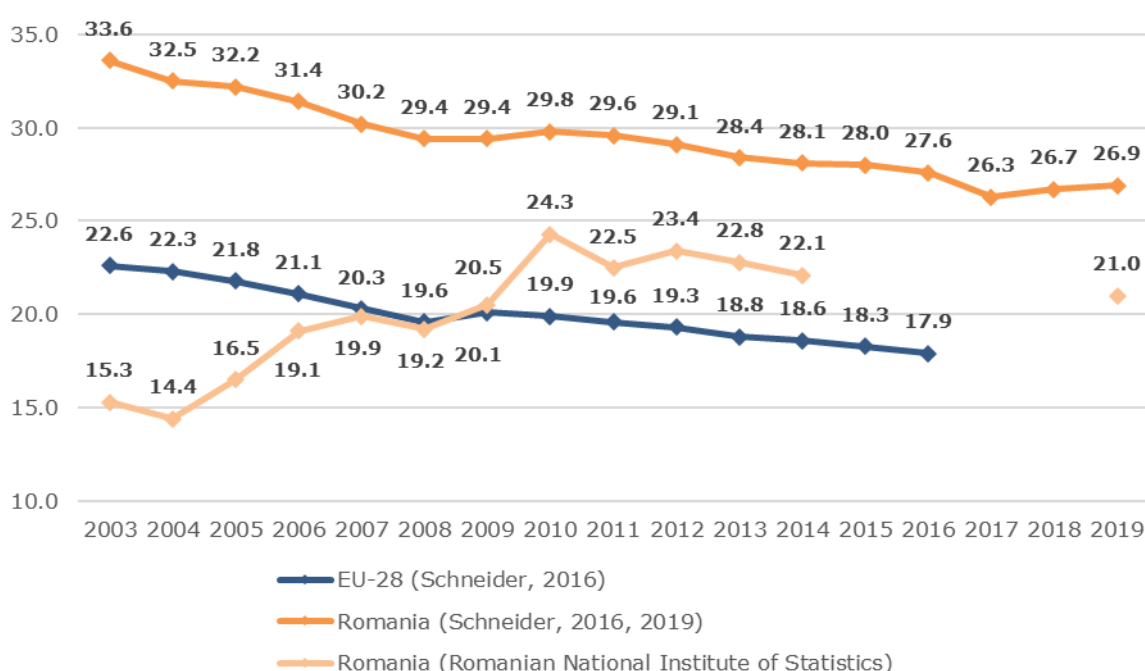
<sup>153</sup> European Working Conditions Survey (EWCS)

<sup>154</sup> Glossary of terms

statistics on the prevalence of either undeclared self-employment conducted on an own-account basis or false self-employment<sup>155</sup>.

As Figure 5 displays, in 2016, the share of shadow economy in Romania is about one third higher than the EU-28 average. This share decreased in 2017 but started to increase in 2018 and 2019, being maintained at about 27% of GDP (more recent estimates at EU level are not available). Similarly, the “unobserved economy” is large, rated at about 20% of the Romania’s GDP in the past years (i.e., 22.1% of GDP in 2014 and 21% of GDP in 2019). According with the methodology used, the assessment of the unregistered workforce represents the most important share of the “unobserved economy” in Romania<sup>156</sup>.

**Fig. 5 – Shadow economy (% of GDP, 2003-2019)**



Source: Schneider (2016, 2019)<sup>157</sup> and Curs de Guvernare, 2020)

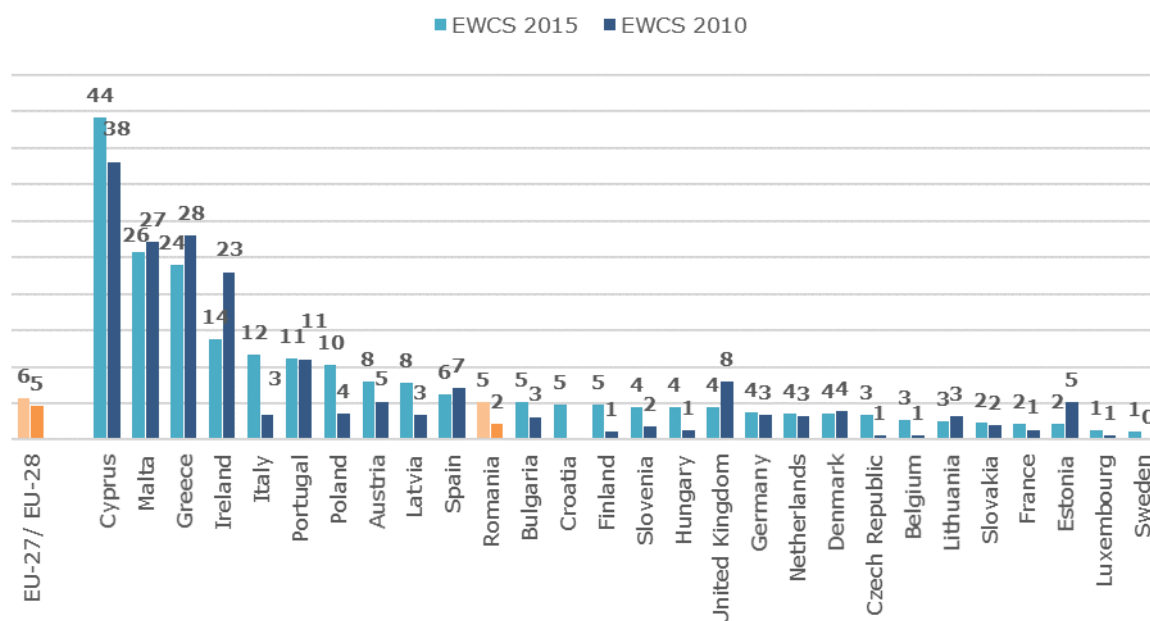
Meanwhile, in terms of unregistered employment, as Figure 6 displays, in Romania, the percentage of employees reported working without a contract increased from 2% in 2010 to 5% in 2015.

<sup>155</sup> Williams et al, 2017

<sup>156</sup> Underground Economy - 21% of GDP, working version of the National Institute of Statistics

<sup>157</sup> Schneider, 2016 and 2019

**Fig. 6 - Unregistered employment – overview (% of employees, 2015 and 2010)**



Source: based on 6th European Working Conditions Survey (2015)<sup>158</sup> and 5th European Working Conditions Survey (2010)<sup>159</sup>

To repeat, these statistical estimates of the shadow economy cover a wider range of activity than statistical estimates of undeclared work, while these statistical estimates of unregistered employment cover just one type of undeclared work.

There are two EU-wide studies that provide estimates of the **prevalence of undeclared work in Romania**. No other reliable data sets exist on the prevalence of this.

### First study with estimates of the prevalence of undeclared work in Romania

The first reliable statistical calculation is reported in a European Commission report conducted in 2017 which uses the LIM method<sup>160</sup> to calculate the level of undeclared work<sup>161</sup>. The LIM method uses macroeconomic data to calculate in every European Union country, the differences between the supply of labour inputs that are reported in the Labour Force Survey and the labour demand reported in for example enterprise surveys, business declarations to the national tax and social security administrations or national-level statistical institutes. The difference between the supply- and demand-side data is then used to calculate a statistical estimate of the volume of undeclared work for each EU country. Figure 7 summarises the steps that this method uses to estimate the prevalence of undeclared work.

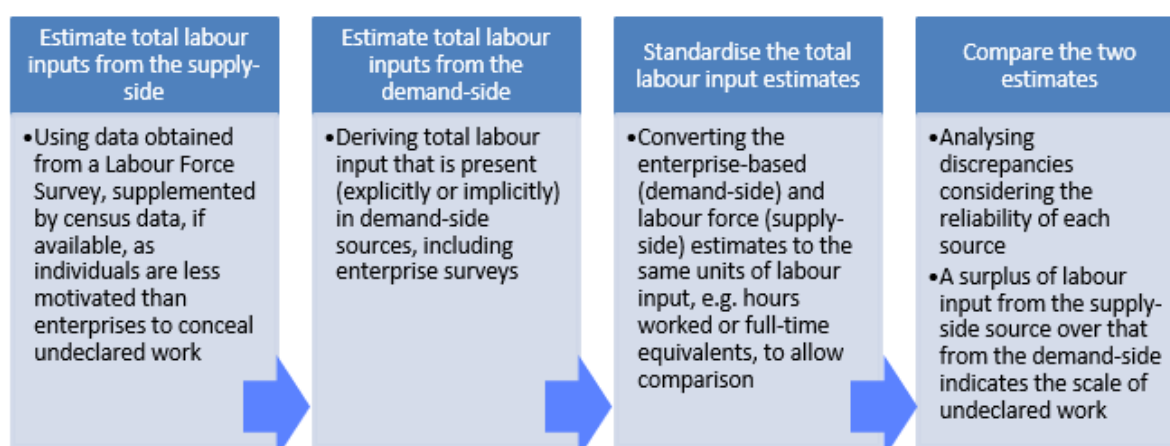
<sup>158</sup> European Working Conditions Survey 2015:

<sup>159</sup> European Working Conditions Survey 2010

<sup>160</sup> Labour Input Method - LIM

<sup>161</sup> Williams et al, 2017

**Fig. 7 - Steps used in LIM Method to estimate the size of undeclared work**

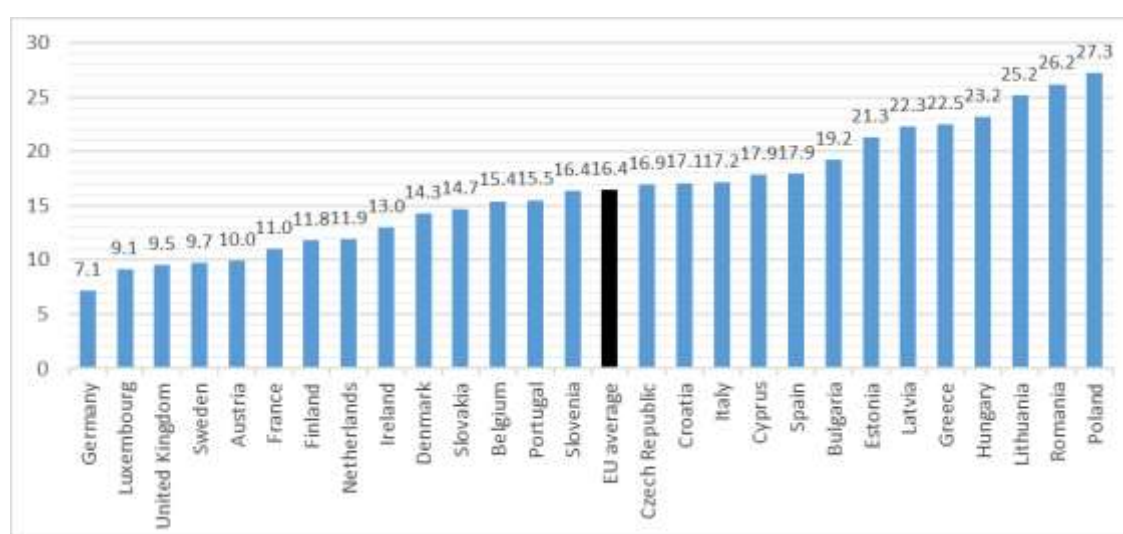


Source: Williams et al. (2017)

It is noteworthy to recognise that using the LIM method produces only a lower-bound statistical estimate of the volume of undeclared work in each EU member state because labour inputs could be absent from both the supply- and demand-sources.

Figure 8 reveals the findings of LIM statistical calculations regarding the share of undeclared work in the private sector as a percentage of total GVA<sup>162</sup>. As can be seen in this figure, Romania has the second largest level of undeclared work in the private sector as a share of total GVA. The finding in this 2017 report is that in Romania, undeclared work was: 26.2% of total private sector GVA (i.e., the 2<sup>nd</sup> highest level of all EU countries).

**Fig. 8 - Undeclared work in the private sector as % of total GVA, LIM estimates for 2013**



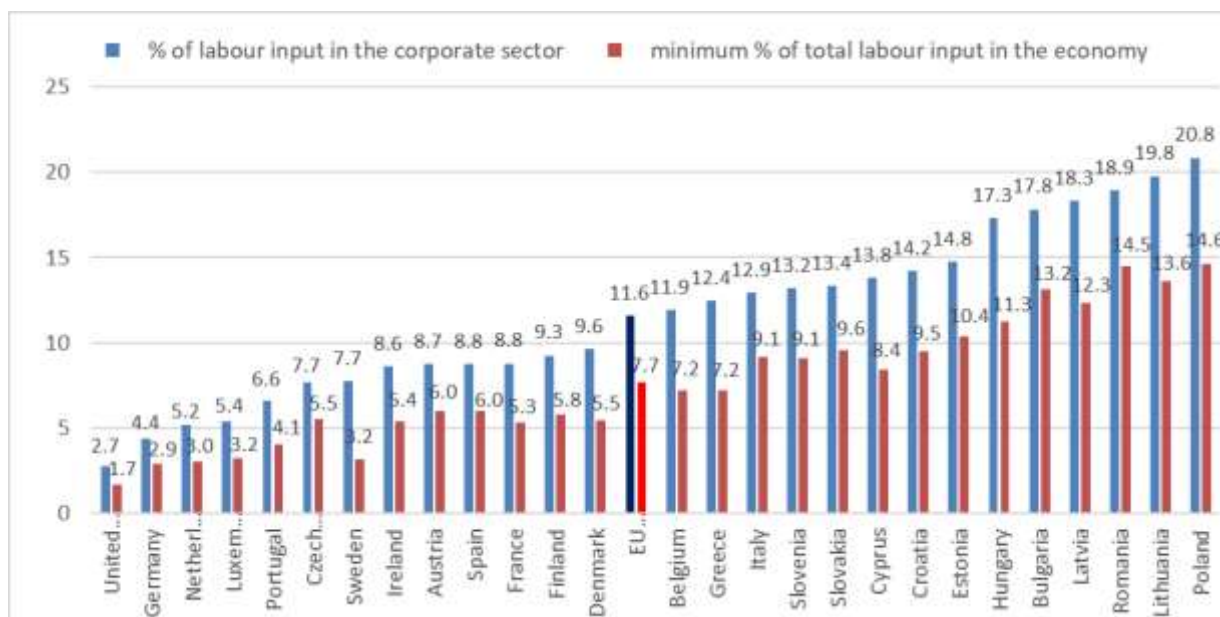
Source: Williams et al (2017)

<sup>162</sup> Gross Value Added - GVA



Figure 9 reveals the LIM statistical calculations of the share of undeclared work as a share of total private sector labour input. Romania has the third largest level of undeclared work in the private sector as a share of total labour input in the private sector. The statistical calculation in this 2017 report is that in Romania, undeclared work was 18.9% of total private sector labour input (the 3<sup>rd</sup> highest level of all EU countries).

**Fig. 9 - Undeclared work in the EU in terms of labour input, LIM estimates for 2013**

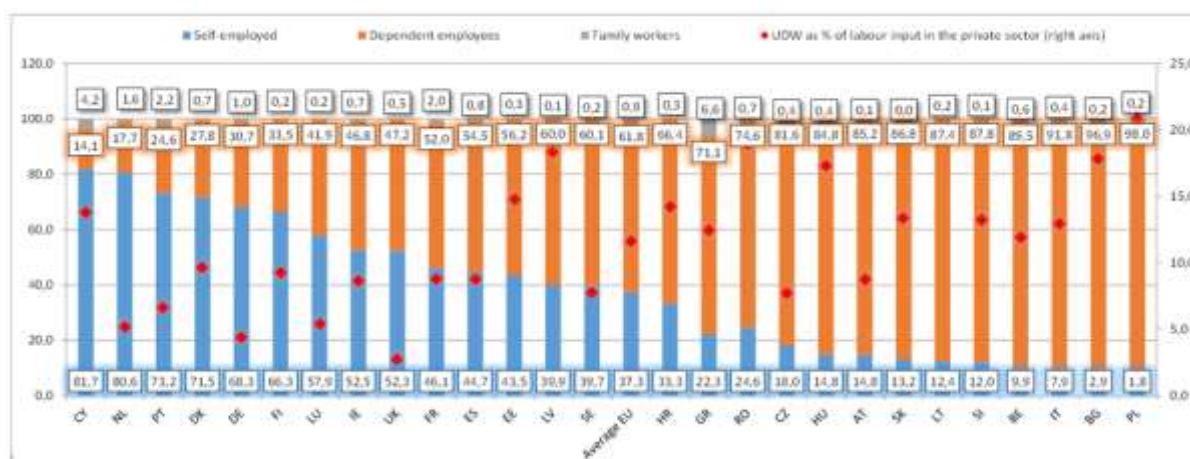


Source: Williams et al (2017)

It should be remembered that this LIM analytical method is in an official European Commission report and these statistical calculations are used by the European Platform for Tackling Undeclared Work to estimate undeclared work in all EU member states, including Romania. A final statistical calculation that can be made using this analytical methodology relates to the undeclared work estimates in the private sector by type of employment.

As Figure 10 reveals, examining the EU average, the most significant part (more than 60 percent) of undeclared work is related to employees, followed by self-employed persons, while the share of family workers is below 1% in total undeclared work. The Member States in which the self-employed are the dominant share in undeclared work are Cyprus, Netherlands, Portugal and Germany. On the other hand, employees present more than 90% of undeclared labour input in Poland, Bulgaria, Italy and Belgium.

**Fig. 10 - Undeclared work by type of employment, LIM estimates for 2013**



Source: Williams et al (2017)

Table 1 provides the estimates for Romania. This reveals that in Romania, 73.20% of self-employment in the private sector is undeclared work, 15.11% of all wage employment conducted by waged employees in the private sector is undeclared work, and 68.23% of all family work provided in the private sector is undeclared work. Given that family work is a small proportion of total work, this can be set aside. The very important finding is that a very large share of all self-employment is conducted as undeclared work in Romania.

**Table 2 - Undeclared work in Romania: by type of employment, LIM estimates**

	Self-employed	Employees	Family workers	Total
Undeclared work as % of private sector labour input	73.20	15.11	68.23	18.92
Minimum % of the total labour input in Romania conducted on an undeclared basis	64.84	11.49	66.76	14.51

Source: Williams et al (2017)

## Second study with estimates of the prevalence of undeclared work in Romania

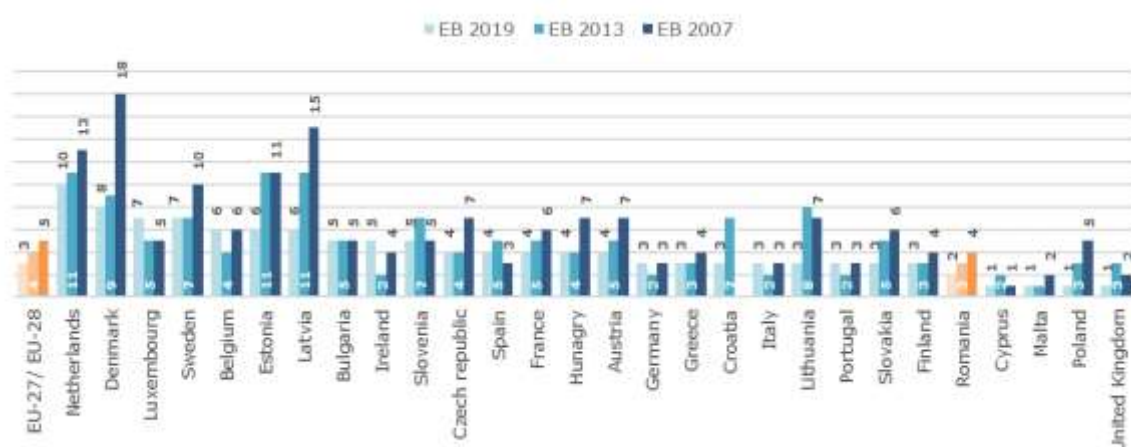
The second reliable EU-wide study that possesses relevant data is the 2019 Eurobarometer survey no 498 on undeclared work<sup>163</sup> which is based on a survey of a representative sample of circa 1,000 respondents in each EU member state (similar surveys have been conducted in 2007 and 2013<sup>164</sup>). The overview results on undeclared work of the three waves of the Eurobarometer survey is presented in Figure 11 and Figure 12. The findings show that between 2007 and 2019,

<sup>163</sup> Special Eurobarometer 498: Undeclared work in the European Union

<sup>164</sup> Special Eurobarometer 402: Undeclared work in the European Union

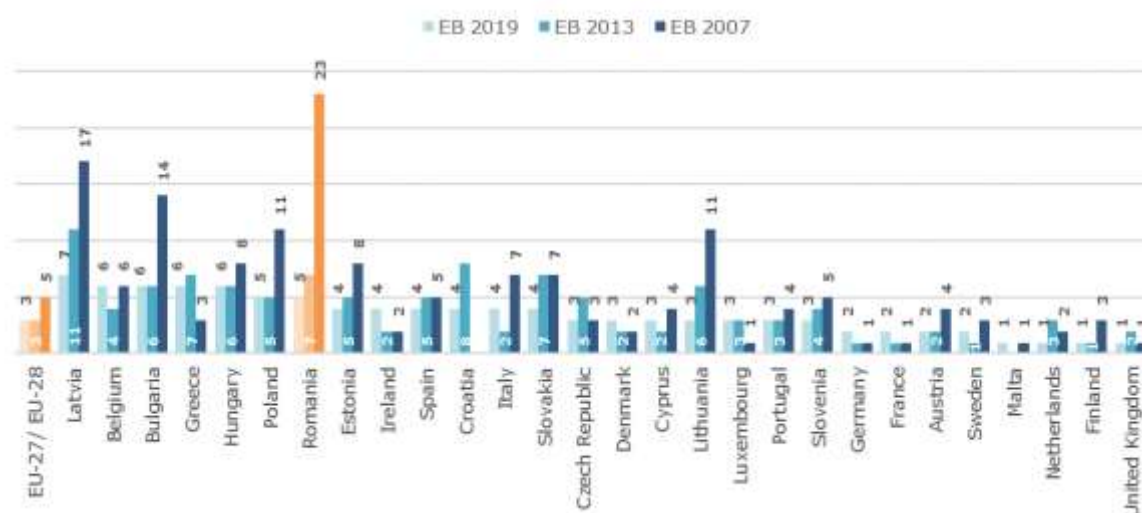
both undeclared work and under-reported salaries has a descending trend in Romania. However, the share of respondents reporting receiving envelope wages from their employers in Romania is higher than the European average (5% compared with 3% at EU level). Again, under-reported salaries, akin to unregistered employment (i.e., working without a contract) represents only one form of undeclared work. However, it is important to mention data direct measures of undeclared work, regardless of the type of undeclared work investigated, needs to be treated as lower bond estimates. It is documented in the literature that some respondents fear to admit in surveys that they are engaged in illegal activities such as undeclared work.

**Fig. 11 - Undeclared work – overview (% , 2007, 2013 and 2019)**



Source: Special Eurobarometer surveys on undeclared work: 2007, 2013 and 2019

**Fig. 12 - Envelope wages (under-reported salaries) – overview (% , 2007, 2013 and 2019)**



Source: Special Eurobarometer surveys on undeclared work: 2007, 2013 and 2019

Important to underline here are the conclusions from the latest Country Report for Romania assessed by the European Commission<sup>165</sup>:

“Undeclared work remains high. According to the Romania Fiscal Council, the value of the non-observed economy is 21.5% of GDP. The sectors of high risk are mainly construction, services, and textile manufacturing. According to the NAFA<sup>166</sup>, the compliance seems to have increased in the construction sector following recent tax exemptions (concerning social security contributions and personal income tax) for those working in the sector. **However, there is no clear data available.**”

Meanwhile, using data from the Romanian National Institute of Statistics, the 21% of GDP shadow economy calculated for the year 2019 represents no less than 208 billion RON or approximately 44 billion of EUR, being considered an important source for increasing the public budget. According to the Romanian National Institute of statistics, three domains are mainly affected, namely: construction, commerce and hospitality industry<sup>167</sup>.

According to the 2019 Eurobarometer Survey no. 498 on undeclared work, 33% of all undeclared work in Romania takes place in the repairs and renovations sector. This is higher than the European average where 1 in 5 undeclared work practices are in such construction activities and slightly higher than East-Central Europe where 30% of all undeclared jobs are in the construction sector<sup>168</sup>.

Table 2 reports the EU regional variations in the proportion of all undeclared work that is in the repairs and renovations sector. In 2019, 30% of all undeclared work is in construction in the Nordic nations and East-Central Europe, but undeclared work in construction was only one-fifth (20%) of all undeclared work in Western Europe, but merely 15% (1 in 7 undeclared

<sup>165</sup> European Commission, 2020b

<sup>166</sup> NAFA = National Agency for Fiscal Administration

<sup>167</sup> Underground Economy - 21% of GDP, working version of the National Institute of Statistics

<sup>168</sup> EFBWW și FIEC, 2020

activities) in Southern Europe. However, the share of undeclared work in construction has grown throughout all regions of Europe over the period from 2007 to 2019.

**Table 3 - % of all undeclared jobs in the construction sector: by European region**

	2007	2013	2019
All 28 countries	16 %	19 %	21 %
Nordic region	27 %	24 %	30 %
West European region	16 %	17 %	20 %
East-Central European region	19 %	26 %	30 %
Southern European region	3 %	12 %	15 %

Source: EFBWW and FIEC, 2020

In addition, and as Table 3 reveals, there are also marked cross-national variations in the proportion of all undeclared work that is undertaken in the construction sector. In 2019, 45% of all undeclared work in Slovakia was in construction activities and 41% in Bulgaria. However, at the lower end, only 14% of all undeclared work was in construction activities in the Netherlands and Italy, only 13% in the country of Spain and just 11% in Luxembourg. In Romania, 33% of all undeclared work reported is conducted in construction activities.

**Table 4 - Supply of undeclared work: % in construction sector**

Region/ country	% reporting undeclared work	of which, repair or renovations
	(%)	(%)
<b>28 European countries</b>	<b>3</b>	<b>21</b>
<b>East-Central Europe</b>	<b>2</b>	<b>30</b>
Slovakia	3	45
Bulgaria	5	41
Latvia	6	36
<b>Romania</b>	<b>2</b>	<b>33</b>
Slovenia	5	33
Croatia	3	30
Lithuania	3	24
Czech Republic	4	24
Poland	1	23
Hungary	4	19
Estonia	6	38
<b>Northern Europe</b>	<b>6</b>	<b>30</b>
Sweden	7	31
Denmark	8	30
Finland	3	21
<b>Western Europe</b>	<b>4</b>	<b>20</b>
France	4	24
Belgium	6	24
Germany	3	21
Austria	4	20
United Kingdom	1	20

Ireland	5	16
Netherlands	10	14
Luxembourg	7	11
<b>Southern Europe</b>	<b>3</b>	<b>15</b>
Cyprus	1	31
Portugal	3	30
Malta	1	21
Greece	3	21
Italy	3	14
Spain	4	13

Source: EFBWW and FIEC, 2020

## Results of both studies

Based on these figures from both studies, the statistical calculation is that **undeclared work in the construction sector in Romania:**

- constitutes the equivalent of just under 9% of total private sector GVA; that is, 26.2% of total Gross Value Added (GVA) in the private sector is undeclared work, and given that 33% of undeclared work is in construction activities, the statistical estimate is that one-third of 26.2%, or just under 9% of total private sector GVA is undeclared work.
- constitutes the equivalent of just over 6% of total labour input in the private sector; that is, 18.9% of total private sector labour input is undeclared work, and given that 33% of undeclared work is in construction activities, the statistical estimate is that one-third of 18.9%, or just over 6% of total labour input in the private sector is undeclared work.

**In consequence, if social ID cards were to tackle the whole of undeclared work in construction in Romania, the equivalent of some 9% of total private sector GVA and 6% of total private sector labour input would be transformed from undeclared into declared work in Romania.**

**Moreover, even if social ID cards only reduced the prevalence of undeclared work in the construction sector by two-thirds, the statistical calculation is that the equivalent of some 6% of total GVA in the private sector and 4% of total private sector labour input would be transformed from undeclared work into declared work.**

Who, therefore, would benefit from this transformation of undeclared work into declared work in the construction industry? The examination of the composition of the undeclared workforce in the construction industry<sup>169</sup> of the 2007 Eurobarometer survey on undeclared work shows that over-represented groups include men, those with fewer years in full-time education, manual workers, the self-employed, and those working in smaller businesses. Another similar analysis<sup>170</sup> of the 2013 Eurobarometer survey of undeclared work find that over-represented groups include men, those with fewer years in full-time education, older workers, the unemployed and manual workers. In the analysis<sup>171</sup> of the 2019 Eurobarometer survey, meanwhile, those over-represented are largely men, those with fewer years in full-time education and working on a self-employed basis.

<sup>169</sup> Williams et al, 2011

<sup>170</sup> Cremers et al, 2017

<sup>171</sup> Williams and Kayaoglu, 2021



Therefore, social ID cards in the construction realm in Romania can potentially have a significant impact on the national budget. In the next section, therefore, some recommendations for a social ID card in Romania are made.

Before doing so, a note on the statistics available needs to be made. No other reliable data besides those datasets analysed above are available on undeclared work in Romania. ANAF and the labour inspectorate possess case management data on the proportion of audits and inspections that result in the detection of undeclared work. However, these cannot provide a statistical calculation of the level of undeclared work in Romania. The results of audits and inspections in their case management databases are based on a biased sample and therefore are not a representative sample. As such, they cannot be used to assess the prevalence of undeclared work. Indeed, there is very good reason why the results of audits and inspections are not representative. It is because an inspectorate which operates in an efficient manner focuses its resources on risky entities. If it did not, it would be extremely wasteful of its resources and time.

The above evidence, therefore, are the only reliable data sources and are also the sources used by the European Commission and European Platform Tackling Undeclared Work, and the European Labour Authority, when estimating the size of the undeclared economy in EU member states, such as Romania.

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## 7. Conclusions and recommendations for a Romanian social ID card

Given this review of existing social ID card schemes in European countries, this final section synthesises the findings to make recommendations for a Romanian social ID card. To do so, recommendations are made on:

1. its purpose and objectives
2. the characteristics of the social ID card
3. the target groups and organisations involved
4. the resources and costs
5. the potential outcomes.

It is important to state that there is no one social ID card scheme appropriate for all countries. National labour market challenges and requirements differ, as do the competencies, mandates and roles of the different institutional stakeholders involved. The outcome is that national social ID card schemes vary and what is appropriate in one context will not necessarily be so in another context. Therefore, a social ID card scheme needs to be tailored to its national context.

### 7.1 Purposes and objectives

The core function of a Romanian social ID card is as a worker identity card and as a tool for detecting and preventing undeclared work by acting as an identification tool for facilitating checks on who is onsite. Reflecting the trends in social ID cards in the analysed European countries, however, it is also proposed that the Romanian social ID card could be a tool for:

- Recording professional and vocational training in the construction sector, and which can be updated, available and accessible at any moment.
- Recording occupational health and safety training.
- Recording sectoral work experience.
- Gaining electronically controlled access to construction sites with electronic gates.
- Acting as a “stamping machine” to enable people to sign in and out, and to record working hours spent on the construction site.

Therefore, working issues, social security contributions, safety and health issues as well as tax affairs will all benefit from the use of the card:

- Working matters: The ID card is not only a worker identity card and tool for detecting and preventing undeclared work but can also indicate the hours that an employee has worked and their break/rest times.
- Social security contributions: The data collected can provide information that can be used to assess whether necessary contributions have been made and also to calculate contributions for the Social House of Builders.<sup>172</sup>
- Health and safety matters: The card can display if an employee on the worksite has the required certificates to be allowed (a) onto the construction worksite and (b) to conduct

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<sup>172</sup> <https://www.casoc.ro/>

- the work they are doing by enabling inspectors to check their credentials.
- Tax matters: The tax authority (NAFA) can assess if the correct tax payments are being made and will therefore have an interest in retrieving data from the system.
- Qualification matters: The card can provide instant information on if an employee has the qualifications to (a) be present on the worksite and (b) be doing the work they are engaged in (by cross-checking their accreditations and certifications and their expiration dates).

To include these latter functions on the Romanian social ID card, there is a need for cooperation to occur between a range of institutional stakeholders in Romania. A **SASeC (Self-Regulatory System in Construction) paritarian organisation could oversee the ID card scheme**, bringing together the diverse array of houses currently operating in this sector<sup>173</sup>.

There is also the need for partnership through involvement of a range of public authorities in the design and implementation of the social ID card scheme, including the Ministry of Labour, Labour Inspection, Ministry of Education, ANAF and National Authority for Qualifications.

## 7.2 Characteristics of the Romanian social ID card

Decisions are also required on the following dimensions of the social ID card:

- mandatory/optional
- technical solution
- issuer
- information collected/stored
- legal basis
- institutions/organizations with access to data.

### *Mandatory/optional*

The card should eventually be mandatory. Controlling workers on construction worksites is problematic due to the characteristics of work:

- worksites are often temporary;
- workers are often present on a temporary basis and only sporadically;
- workers, enterprises and the self-employed often work on more than one construction worksite at any one period of time;
- boundaries are often permeable without adequate fencing to control accessibility.

Unless identity cards become mandatory and are used in a nationally coordinated manner to ensure compliance with mandatory obligations (such as monitoring and controlling worksite attendance), the effectiveness of such cards will be limited. Firms not fully engaging with the voluntary use of identity cards will be normally precisely those businesses that intentionally seek to evade control, and as such, have a greater likelihood of being engaged in undeclared practices. Therefore, a mandatory status for ID cards is crucial because checks can then be more effectively undertaken by the competent enforcement authorities.

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<sup>173</sup> Briganti et al, 2015, pp. 37

In other countries, social ID cards have often commenced as voluntary initiatives organised by social partners, and often small-scale (e.g., Belgium, Finland, Sweden), and have then transitioned over time into mandatory and universal initiatives, often with a legal basis. It is here proposed that the same approach is pursued in Romania. The ID card scheme can first be introduced by the social partners of the construction sector and then public authorities encouraged to make ID cards mandatory on construction sites.

In the early years, the intention should be for the social partners to conduct a pilot experiment with social ID cards on a limited range of construction sites, agreed by the various social partner stakeholders involved. This pilot project would be expected to last for 2-3 years and would be a “proof of concept” experiment to evaluate what works and what does not, and to explore how the ID card scheme can be improved and optimized. It should be based on the principle of a “test, learn and adapt” approach. Therefore, whilst the social ID card would be voluntary nationally in the construction sector, the card would be compulsory on the given construction sites included in the pilot study, with the main constructor deciding on this requirement.

A second stage in this pilot experiment might be that the compulsory use of the ID card could be included in the tender specifications for specific construction projects. One way forward in this regard might be for a major public works project to decide that successful contractors winning the tender must agree to use the social ID card on the construction sites involved. This will require the agreement of the public authorities involved in tendering for the construction project/s.

Following this, a larger scale implementation at the national level could occur as well as continuous improvement could occur based on a “test, learn and adapt” approach. If the same trajectory is followed as in other countries, then there might be the introduction of a legislative initiative to make the social ID card mandatory on construction sites. However, there are sometimes limitations put on the construction sites to which they apply. Often construction sites owned by those building a house for their own use are excluded (e.g., Finland) and on commercial building sites, ID cards are sometimes not compulsory on some sites, such as low-value construction projects.

### *Technical solution*

In the early years of social ID cards in Europe, some were simple paper-based identity cards with a picture of the worker, and the name of the worker and employer. Increasingly, however, they have become digital cards with electronic RFID data transmission chips that enable a wide range of information to be collected and stored on the card. In most countries, the cards also possess various types of fraud-resistance system (i.e., holograms, ID chips, watermarks). It is recommended in Romania that digital cards are used with electronic RFID data transmission chips for having a wider range of information to be collected and stored on the card. It is recommended not to use unique, intimate biometric-technology data such as fingerprints, iris structure and face topologies. Inextricably linked to the individual body, they are more sensitive than other types of personal information due to privacy issues<sup>174</sup>.

### *Issuer*

There has been a tendency over time towards centralisation so far as issuance of ID cards are concerned, as cards have become mandatory.

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<sup>174</sup> Sepúlveda, 2018

Several options exist for the issuance of cards. In many countries, a paritarian organisation has been created to produce and distribute social ID cards. A similar process in Romania might be that Romanian social partners such as the FGS (union) and FPSC (employer), could introduce the social ID card. This might use the “Self-Regulatory System in Construction (the Romanian abbreviation is SASeC)” to oversee the scheme including the issuing of the identity card. The SASeC General Secretariat, including relevant Houses that would be constituents of SASeC, would organise the agreements and contracts. The role of the SASeC General Secretariat would be to harmonise their activities and the financial resource flows to ensure that any internal competition is mitigated. The SASeC General Secretariat would be charged with card issuance responsibility<sup>175</sup>.

The SASeC General Secretariat would therefore be the organisation which has legal responsibility for the identity card. This organisation would employ an IT body to create the IT infrastructure that will store the data collected and administer the system as well as create and dispatch the identity card. The social partner organisations in the lead position on this social identity card project that refers to the introduction and use of the card would be represented in this organisation. Furthermore, it should be the case that social partners in associated sectors as well as related houses could be invited to take a position in the organisation. This organisation would have an Advisory Council that is also comprised public authorities with an interest (e.g., ANAF, Labour Inspectorate).

There is also a need to consider who will produce the cards. In most analysed countries, many other ID cards are produced (e.g., driving licenses). The recommendation is that the producer of the social ID cards should be such an organisation that has experience in dealing with the privacy and data protection issues involved in producing identity cards. All such producers, nevertheless, must be able to issue a card that possesses an anti-fraud system/device, which might be a watermark, hologram and so forth.

Longer term, and learning from Belgium, a fully automated process can be envisaged. The process starts when the worker is registered in the Revisal employment register. Their photo could be then obtained from the national register of the identity cards. Data are collected and prepared centrally (SASeC) and dispatched to a centralised production body (the card producer) using a secure webservice facility. All the stages in the data collection process and transmission process would be designed so that checks take place using automated procedures. The production process for the card, its personalization, and its dispatch would take place in an environment designed to be secure. Once the card is issued, it is dispatched to the worker’s residential home address.

#### *Information collected/stored*

The information collected and stored on any Romanian social ID card can increase over time, like other countries. The visible data once one enters the system will include the name of the worker, their country of residence and their (SASeC) identity number, the name of the issuing organisation, the validity dates for the card, the SASeC and the issuing organisation’s logos, design features to prevent falsification, the name of their current employer, if relevant the worker’s temporary or permanent residence permit, the benefits they receive such as the wintertime allowances, their certified skills, qualifications, accreditations and training, including their health and safety training. Information on vacations could be included later<sup>176</sup>. The invisible content will be seen through the scan of the national ID card holding their ID card

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<sup>175</sup> Briganti et al, 2015, pp. 37

<sup>176</sup> Briganti et al, 2015, pp. 38

number, their gender self-assignment, their residential address, the name of their parents and so forth.

One option for applying for the cards is that workers could apply for a card by completing the appropriately designed form and signing it electronically<sup>177</sup>. This application process would be online. The required documentation might include a copy of their passport or national ID, a copy of their residence permit (if required), evidence of their health insurance and copy of their employment contract, as well as their certificates, diplomas and other evidence of their training, skills, competencies and accreditations, evaluations of their non-formal education. Each worker applying for an identity card would have an online file that would comprise these evidences and also a signed informed consent that they accept that these can be accessed for data handling purposes. It might well be the case that some of the certificates and diplomas will be provided by a nominated legal entity that has been previously judged by the Ministry of Labour and Ministry of Education as capable of issuing this documentation.

### *Legal basis*

In the first instance, a social partner or collective agreement can be used as the basis for the social ID card. The Appendix to this analysis provides an example of such an agreement from Iceland. However, as the ID cards shifts from being a voluntary initiative organised by social partners towards a mandatory initiative, there will be a shift in the legal basis of the social ID card away from a social partner agreement and collective agreement, and towards the use of a legislative initiative as its legal basis. Again, an example from Iceland is provided in the Appendix to this analysis.

### *Institutions/organizations with access to data*

Before receiving their ID card, the worker would have to provide written informed consent for their data to be used. The IT organisation employed would be charged with ensuring data security and through their collaboration with SASec Main Server, responsibility for the database<sup>178</sup>. The information collated might cover their accredited certification of their qualifications, evaluations conducted of their work, copies of the ID card and so forth. Through the digitalised ID card, the profile of the worker could be analysed online via the SASec database. Access to such personal data would be confined to the worker, the SASec administrator and anybody given permission to access the information by the worker. Gaining access could be via either a staffed call centre or via an SMS messaging service. The Builder Vocational Training School (CMC) could be made responsible for all checks and validations of the dataset. Online access could also be provided to the Labour Inspectorate, police, border police, and so forth.

An issue for data protection security is whether the national registration number should be visible on the card. For this reason, SASec should use perhaps its own organisationally created ID number for each worker (which might be nine digits or more).

These protection of personal data issues must be considered, important being the following:

- Personal details: these cannot be processed unless a worker applying for the identity card provides their informed consent that this can be done, so a request for their informed consent to do this will need to be on the application form for the identity card.

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<sup>177</sup> Briganti et al, 2015, pp. 37

<sup>178</sup> Briganti et al, 2015, pp. 38

- Any numbers that allow the identification of a person cannot be processed unless a legal basis exists for doing this.
- Technical and organisational measures will need designing and implementing to ensure the security of personal data against loss and possible wrongful processing.
- The body that takes responsibility for data processing will need registering with the Data Protection Authority.

Employees must present a valid ID card upon inspection. Decisions are required on who could conduct inspections of cards. This varies across countries (see section 3). One option is to follow the Icelandic example (see section 3 and the Appendix for the agreement) so that social partners could act as inspectors in a similar way to Iceland. Alternatively, the list of public authorities and contractors entitled to check ID card details need to be listed.

A penalty system also needs to be established for those who do not display their ID cards. This needs to be discussed and agreed by the range of social partners and the public authorities. Many examples have been provided in section 3 of the penalty systems used in other countries, as inspiration for its design in Romania.

#### *Validity*

It is intended that the cards will not expire. The planning of updates depends on the budget and on the information that can change over time. If a card is lost, stolen or broken, it will be replaced on request, as a duplicate. The owner has to send a form and explain the reason (also electronically via internet)<sup>179</sup>.

### **7.3 Target groups and organisations involved**

#### *Target groups*

Although the target groups are normally construction workers and construction sites, the breadth with which a construction worker and construction site is defined varies between countries. Some countries adopt wider definitions. But it is proposed that the workers and sites included should be all-inclusive in the first instance and then a “test, learn and adapt” approach adopted that would exclude specific groups where it is deemed during the pilot phase that this is appropriate.

The ID card could be mandatory for all workers that carry out work on building and construction sites. This covers anybody working at building or construction sites, whether on a long-term or short-term basis, as well as individual contractors (sole proprietors) working at building sites on behalf of a company or a private person, including:

- All employees, including third country nationals (TCNs) and EU mobile employees, employed by businesses on assignment at construction worksites in Romania. This will also apply to assignments that are short-term.
- The self-employed, including both sole proprietorships with employees and sole traders.
- Employees who undertaken support functions on construction worksites (e.g., canteen operation) when these employees are operating inside the boundary or site perimeter of the construction worksite.

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<sup>179</sup> Briganti et al, 2015, pp. 38

- Those who regularly transport goods to construction worksites.
- Cleaners, caterers, electricians, transporters, and other professionals who access a work site on a regular basis also need to carry valid ID cards.
- If they possess an identity card for a part-time waged employment engagement with a company, but also perform own-account self-employment, an identity card will be required for each activity/entity.

The employers must be registered in the relevant public authority databases. The employees/sole proprietors must be registered in the Revisal employment register and ANAF databases.

There could be no prevention of working in the period of application for an identity card before the card has been physically received. However, the employer should be able to display that the identity card has been applied for and the worker must be capable of displaying which businesses they are working for. Such documentation may, for example, be a confirmation that the ID card has been ordered or in the latter case, a copy of their employment contract. After the ID cards have been ordered, the card issuer could normally send an e-mail to confirm that the order has been placed. The card issuer could also normally send another e-mail when the order has been processed. If the card order were successful, a pdf document with a QR code could be used attached to the second e-mail. This document could be used as a temporary ID card for accessing the construction site until the ID card has been produced and received.

Furthermore, sites could be exempted from requiring an ID card if the worksite is owned by people who are building a home for their own use.

#### *Organisations involved*

Over time, as social ID cards have shifted in many countries away from voluntary to mandatory initiatives, the responsible actors have shifted away from being the sole responsibility of social partners and towards the greater involvement of public authorities. Indeed, in Norway, it is the labour inspectorate which has driven the introduction of ID cards.

In the initial stage in Romania, the SASeC could be the responsible actor for handling and controlling the system including the identity card. This could be regulated by a sectorial social agreement. The SASeC General Secretariat would be composed of all other entities which are currently run paritarian by the social partners.

Over time, as the ID card shifts from being a voluntary initiative initiated by social partners, to a mandatory initiative based on a legislative act, the responsibility could shift with perhaps greater control by the Labour Inspectorate, like in Norway.

## **7.4 Resources and costs**

Although in most countries, it remains the employer who remains ultimately responsible for the costs of introducing and supplying social ID cards, in some exceptional cases (e.g., Norway), it is the government that covers the costs of social ID cards. SASeC created to operate these ID card systems could request contributions from employers for the cost of issuing the ID card.

## 7.5 Outcomes

In Europe, the Digital Economy and Society Index (DESI) measures the progress of EU member countries in adopting digital technologies. This reveals that Romania has the 3<sup>rd</sup> worst score. Indeed, at present, Romania has one of the lowest levels of adoption of digital technologies and one of the highest levels of undeclared work. Thus, given the strong statistically significant relationship between the adoption of digital technologies and the level of undeclared work, new digital technology initiatives, such as a social ID card, can raise the low performance of Romania on digital transformation and tackle undeclared work.

Using the only data available, a statistical analysis has been undertaken of undeclared work in the construction sector and the potential impact of introducing an ID card. This analysis conducted in 2017 for the European Commission<sup>180</sup> used the Labour Input Method<sup>181</sup> and identified the fact that undeclared work is 26.2% of total Gross Value Added<sup>182</sup> (the 2nd highest level of all EU countries) and 18.9% of total labour input (the 3rd highest score of all EU countries) in the private sector. Meanwhile, the Eurobarometer survey no. 498<sup>183</sup> identified that 33% of all undeclared work in Romania is in the construction sector. This means that undeclared work in the construction sector constitutes the equivalent of just under 9% of GVA and just over 6% of labour input in Romania in the private sector. If this were to be tackled using social ID cards, therefore, the equivalent of some 9% of GVA and 6% of total labour input in the Romanian private sector would be transformed from undeclared work into declared work.

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<sup>180</sup> Williams et al, 2017, pp. 13-14

<sup>181</sup> LIM

<sup>182</sup> GVA

<sup>183</sup> Special Eurobarometer 498 – Sept 2019, pp. 156



## List of tables and figures

<b>TABLES</b>	<b>Page no.</b>
Table 1 – Typology of analysed social ID cards	66
Table 2 – Undeclared work in Romania: by type of employment, LIM estimates	81
Table 3 - % of all undeclared jobs in the construction sector: by European region	84
Table 4 – Supply of undeclared work: % in construction sector	84-85
 <b>FIGURES</b>	 <b>Page no.</b>
Fig. 1 – Digital Economy and Society Index, 2020: by member state	10
Fig. 2 – Key enablers of digital technologies: progress in member states (score 0 to 100), 2019	11
Fig. 3 – Relationship between undeclared work (% of labour input) and DESI	12
Fig. 4 – Relationship between shadow economy (% of GDP) and DESI	13
Fig. 5 – Shadow economy (% of GDP, 2003-2019)	77
Fig. 6 – Unregistered employment – overview (% of employees, 2015 and 2010)	78
Fig 7 – Steps used in LIM Method to estimate the size of undeclared work	79
Fig. 8 – Undeclared work in the private sector as % of total GVS, LIM estimates for 2013	79
Fig. 9 – Undeclared work in the EU in terms of labour input, LIM estimates for 2013	80
Fig. 10 – Undeclared work by type of employment, LIM estimates for 2013	81
Fig. 11 – Undeclared work – overview (% , 2007, 2013 and 2019)	82
Fig. 12 – Envelope wages (under-reported salaries) – overview (% , 2007, 2013 and 2019)	83

## Appendix

### Act on Workplace ID Cards and Workplace Inspection No. 42/2010, Iceland

#### Article 1

##### *Scope.*

This Act applies to employers and their employees with operations on the domestic labour market, whether the operation is permanent or temporary, or that they are sending employees to Iceland in connection with providing services within specified industries, *cf.* paragraph 2.

The social partners shall negotiate further in their collective agreements regarding which industries and jobs are covered under this Act each time. These collective agreements as well as other agreements entered between parties on the further implementation of this Act shall apply to all employers working within the industries on the domestic labour market specified in parties' agreements.

The Ministry of Social Affairs and Social Security shall publish an advertisement in the B section of the Law and Ministerial Gazette of Iceland with a list of the industries to which this Act shall apply each time in accordance with collective agreements of the social partners, *cf.* paragraph 2.

“Employer” means legal entity and individual working independently.

#### Article 2

##### *Aim.*

The aim of this Act is to ensure that employers on the domestic labour market and their employees comply with the current acts, regulations, and collective agreements.

#### Article 3

##### *Workplace ID Cards.*

An employer shall see to it that he/she and his/her employees, whether the employees are employed directly by the employer based on an employment contract or come to work through a temporary-work agency, get workplace ID cards when they start working.

An employer and his employees shall carry workplace ID cards while working.

The workplace ID cards shall state the name and National ID of the employer or another identification for him/her and the name and National ID of the relevant employee along with a picture of the employee.

The social partners may, in their agreements, negotiate in further details the implementation of workplace ID cards.

#### Article 4

##### *Inspection of Workplaces.*

Inspectors from the social partners may do inspection visit to an employer's workplaces to verify that the employer and his/her employees work in accordance with the current acts, regulations, and collective agreements. The inspectors shall be admitted to workplaces for this purpose.

During inspection visits, the inspectors from the social partners shall contact the employer or

his/her representative. The employer and his/her employees shall display workplace ID cards, if requested, in accordance with Article 3.

Inspectors from the social partners shall send the information stated on workplace ID cards to the tax authorities, the Directorate of Labour, the Social Insurance Administration, chiefs of police and, when relevant, the Directorate of Immigration and the National Registry, so that it is possible to find out whether the employer or employee is working in accordance with the relevant act that each institution is supposed to implement.

Inspectors from the social partners are unauthorised to use their position to acquire information about operations other than what is necessary or may be necessary for the purpose of the inspection. It is also unauthorised to provide others with information about the operation, employees, or other parties if they have obtained the information because of their inspection, and there is reason to suppose that it shall be kept secret.

While doing their inspection, inspectors from the social partners performing inspections must show a card issued jointly by the partners.

Inspectors from the social partners may seek the assistance of the police in performing an inspection when it is considered necessary.

The social partners may, in their agreements, negotiate in further details the implementation of inspections, such as which documents the inspectors from the social partners shall have access to or, depending on circumstances, shall be delivered, and what the inspectors' duties of confidentiality shall be.

## Article 5

### *Enforcement of Inspections.*

If a governmental institution that has obtained information from inspectors under Article 4 has reason to suspect that the act being implemented by the institution has been violated, it assesses whether further investigation of the matter based on the authority it has under the act is warranted.

The relevant institution, *cf.* paragraph 1, shall also inform inspectors, in accordance with Article 4, of a planned investigation, without further specifying the possible nature of violations, since the provision of such information is not governed by the act under which the institution operates. Inspectors are unauthorised to provide others with that information when there is reason to suppose that it shall be kept secret.

The social partners may, in their agreements, negotiate in further details procedure in matters where violations are suspected of the provision's relevant collective agreements, *cf.* Article 2 of Act No. 55/1980, on Working Terms and Pension Rights Insurance, as amended.

## Article 6

### *Per Diem Fines.*

If inspectors from the social partners are refused access to an employer's workplaces under paragraph 1 of Article 4, or if an employer or his/her employees do not carry workplace ID cards while working for the employer at a relevant workplace of the employer, *cf.* paragraph 2 of Article 3, the inspectors can give notice of this to the Directorate of Labour. After imposing *per diem* fines, the Directorate of Labour can demand that an employer rectifies his/her deficiencies within a suitable period. If an employer's repeated violation is involved, the Directorate of Labour can demand that the employer rectifies his/her deficiencies within 24 hours.

Notice of a decision regarding *per diem* fines under paragraph 1 shall be made in writing and in a provable manner to the party involved. *Per diem* fines can be up to ISK 100,000 per day. In deciding the amount of *per diem* fines, consideration shall include the employer's number of employees and the scope of the relevant business.

*Per diem* fines shall accrue to the Treasury.

#### Article 7

##### *Appeals.*

Appeals may be lodged with the Ministry of Social Affairs and Social Security against decisions taken by the Directorate of Labour in accordance with Article 6 within four weeks of the date on which the party involved was informed of the decision. An appeal is regarded to have been submitted sufficiently early to the Ministry by the deadline if a letter presenting the appeal is received by the Ministry or has been committed to the postal service before the deadline.

An administrative complaint shall not suspend the legal effect of a decision under Article 6 by the Directorate of Labour.

The Ministry of Social Affairs and Social Security shall deliver a ruling as soon as possible, but not later than two months of receiving a case for adjudication.

In other respects, procedure shall be subject to the provisions of the Administrative Procedure Act.

#### Article 8

##### *Regulations.*

The Ministry of Social Affairs and Social Security may set further directions in a regulation on the implementation of this Act, after obtaining opinions from the social partners.

#### Article 9

##### *Entry into force.*

This Act shall enter into force at once.

*[This translation is published for information only. The original Icelandic text is published in the Law Gazette. In case of a possible discrepancy, the original Icelandic text applies.]*