



European Platform Undeclared Work

New Developments and Trends in Undeclared Work within the Sharing/Collaborative Economy

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Executive Summary

This report examines the consequences of the collaborative economy for undeclared work in the EU and the role of legislation and enforcement bodies in tackling undeclared work in the collaborative economy.

Collaborative Economy organisations 'use online platforms to connect distributed groups of individuals and enterprises and enable them to share access to their assets, resources, time and skills on a scale that was not possible before' (Vaughan and Devario 2016: 23).

The European Commission (2016a: 3) has defined the collaborative economy as referring to:

'business models where activities are facilitated by collaborative platforms that create an open marketplace for the temporary usage of goods or services often provided by private individuals. The collaborative economy involves three categories of actors: (i) service providers who share assets, resources, time and/or skills — these can be private individuals offering services on an occasional basis ('peers') or service providers acting in their professional capacity ("professional services providers"); (ii) users of these; and (iii) intermediaries that connect — via an online platform — providers with users and that facilitate transactions between them ('collaborative platforms'). Collaborative economy transactions generally do not involve a change of ownership and can be carried out for profit or not-for-profit'.

The study combined the review of the available academic and policy literature on the collaborative economy with case study research in six EU countries – France, Germany, Italy, the Netherlands, Spain and the UK – which included targeted literature reviews and interviews with national stakeholders. The findings were supplemented by interviews with representatives of European social partner organisations and other stakeholders signalling their interest to contribute to the study.

1 The growth of participation in the collaborative economy

There is no doubt that participation in the collaborative economy is increasing. However, it is currently impossible to provide accurate information about the extent of participation in the EU28. The lack of a single definition of the collaborative economy is a major impediment to efforts to measure its size and compare EU Member States. Although improvements to national official statistics are being pursued, substantial knowledge gaps currently exist in relation to the size and characteristics of the collaborative economy. National studies have been conducted in some countries. These have tended to provide varying estimates of the number of platforms, awareness of platforms and the number of users.

The European Commission's (2016b) Eurobarometer survey has shown that awareness and use of platforms is extensive with 52 percent of respondents having heard of collaborative platforms and 17 percent having used services provided via platforms. It appears that awareness and use varies substantially across the EU, being relatively high in countries such as France and Ireland and relatively low in countries such as Cyprus and Malta.

It is likely that information about the scale of the collaborative economy will become outdated very quickly, which implies the need for regular, systematic surveys.

2 Legislative frameworks relating to the collaborative economy

The collaborative economy provides many potential benefits including more effective use of resources, more flexible work patterns, additional income earning opportunities and the easier matching of service providers and service users. However, the collaborative economy can also act as a breeding ground for undeclared work and bogus

self-employment through, for example, the multiplication of small jobs, uncertainty regarding the distinction between personal and commercial activities and ambiguities relating to the relationship between platforms and labour service providers who may rely on them for work (Eurofound, 2016; Heyes and Hastings, 2017). Workers in bogus self-employment are denied basic employment rights and may lack social insurance protection.

The number of legal measures adopted in relation to undeclared work in the collaborative economy is currently relatively small. Some countries, notably France and the UK, have reformed their laws in order to enable tax authorities to obtain information about collaborative economy participants directly from platforms. Steps have also been taken to regulate individual sectors, in particular transportation and accommodation where the focus has been on strengthening rules relating to licences and authorisations.

Some countries have simplified tax laws or provided possibilities for service providers to earn small amounts of income without paying tax. These measures are intended to support the growth of the collaborative economy and have also helped introduce greater clarity to tax rules.

In France additional obligations have been placed upon platforms in relation to the information that they must provide to users concerning, for example, their tax obligations.

Concerns relating to unfair competition and, in the accommodation sector, the availability of housing have led national and regional authorities to impose limits on the collaborative economy by, for example, limiting the number of days for which flats can be rented, or restricting the number of licences that can be issued to companies such as Uber (as in Spain).

3 Sectoral analysis of the differential impacts of the collaborative economy on undeclared work.

The collaborative economy raises general issues for authorities, such as the difficulty of determining who is working via platforms, how much they have earned and whether they are operating on a commercial or non-commercial basis.

There are also sector-specific problems that can arise. In the accommodation sector, there is potential for business to hide behind false private identities on accommodation platform websites. Crowdfunding has the potential to place downward pressure on terms and conditions for workers in the country in which the service is being purchased (but not necessarily being supplied).

The potential for bogus self-employment exists in all sectors, although is probably lowest in peer-to-peer accommodation. The issue has become a prominent concern in relation to the transport sector in a number of countries. Uber, in particular, has faced challenges to its established practice of treating drivers as though they are self-employed.

4 Strategies to tackle undeclared work in the collaborative economy

National policy makers, enforcement authorities and social partners have an important role to play in tackling undeclared work in the collaborative economy. The primary focus of activity has been in relation to tax compliance and enforcement. Many of the measures are relatively new and evidence-based evaluation of their effectiveness is currently lacking.

Deterrence measures have involved efforts to detect undeclared work in the collaborative economy. A number of steps have been taken. Germany and Italy have used software to identify commercial activities on the internet that are not declared to the tax authority. In addition, Italy has required that the accommodation sector disclose information about all contracts concluded through platforms. The tax authorities of the

UK and France have acquired new powers that enable them to force platforms to provide information about users, which can be combined with other information held by the authorities to enable targeted enforcement activities.

Incentive measures have involved the provision of additional advice and guidance by the tax authorities. In some countries platform users have been contacted directly by the tax authorities. The Tax Agency in Spain, for example, informs all persons identified as having operated through accommodation platforms that they need to declare the income received. Incentive measures have also included moves to simplify tax registration processes.

The role played by social partners in the development of strategies to tackle undeclared work in the collaborative economy appears to have been relatively small to date. However, the social partners in Italy and Germany have been involved in policy discussions related to the collaborative economy. Moreover, trade unions are taking an increasingly active role in supporting and helping to organise workers in the collaborative economy.

5 Approaches to preventing the proliferation of undeclared work in different sectors

Although some strategies to tackle undeclared work are cross-sector (e.g. tax authority access to platforms' record), others have focused on particular sectors.

To date, it is the accommodation and transport sectors that have received the greatest amount of attention. Concerns relating to unfair competition and bogus self-employment have led to punitive action being taken against transport platforms, notably Uber. In the accommodation sector, countries have taken steps to limit the duration of rentals and require that those wishing to let a property obtain official authorisation. Some authorities have developed a relationship with Airbnb in which the platform takes on some administrative/regulatory functions such as ensuring that limits on the duration of lets are respected.

6 Cross-border practices

It appears that very little cross-border regulatory activity is occurring. Some tax authorities are seeking to work with their counterparts in other EU Member States, but it is not clear that these activities are regular or strongly institutionalised. Crowdfunding is the sector in which cross-border concerns are most likely to arise. European trade unions are beginning to develop cross-border initiatives in relation to this sector.

7 Tackling undeclared work in the collaborative economy: perspectives of the European Social Partners and stakeholders

Some social partners emphasised that the collaborative economy offers greater transparency and accountability, which might help efforts to tackle undeclared work. Other social partners emphasised that the collaborative economy is encouraging the growth of insecure, unprotected and often hidden work.

The social partner representatives agreed that EU Member States can play an important role in creating a level playing field between the collaborative economy and traditional service providers. This could be ensured by enforcing compliance with existing legislation relating to employment and social rights. Views regarding measures at EU level were mixed. Some social partners called for caution in respect to the implementation of EU-wide legislation and regulations. Other social partners highlighted the vital role the EU could play in co-ordinating regulation and compliance across Member States.

8 Recommendations

The report provides a series of recommendations for the EU, for Member States and the Platform.

Recommendations for the EU

- A binding EU legal instrument should be introduced that would (i) require all platforms to report all transactions to the tax authorities in the Member States in which they operate, (ii) compel platforms to supply tax authorities with the necessary information on users to prevent tax non-compliance, (iii) require platforms to inform users of their earnings and tax obligations and (iv) protect platform workers from being falsely classified as self-employed.

The spirit of this binding legal instrument would be to tackle illegitimate activity (i.e., undeclared work) in the collaborative economy without placing undue constraints on the growth of legitimate enterprise in collaborative economy.

Recommendations for Member States

- Governments should ensure that the difference between commercial and non-commercial activities in the collaborative economy is clearly defined and communicated to platform users.
- Governments should investigate the potential for platforms to collect tax revenues and forward them directly to the tax authority.
- Governments should adopt measures to address concerns relating to the ambiguous employment status of many workers in the collaborative economy and the growth in bogus self-employment. Recent developments in the transport sector have highlighted the need to ensure that platforms do not treat economically dependent workers as independently self-employed persons.
- Social partners should be involved in the design of policy measures where their remit and relevant knowledge can add value. This will be particularly valuable when activities at the sector level are being considered.

Recommendations for the Platform

- Within the proposed European Labour Authority, the Platform should act as a 'knowledge hub' on undeclared work within the collaborative economy.

The knowledge hub would bring together the research that is taking place across Member States on the collaborative economy, distil the implications for undeclared work, and inform the work of other members of the European Labour Authority.

The following are recommended as priorities for the production of new knowledge:

- A mapping exercise, capable of being readily updated, should be undertaken to identify the current interventions to tackle undeclared work in the collaborative economy in each Member State and to promote mutual learning and the wider adoption of good practices;
- The Platform and individual Member States should increase the use of evaluation to identify which measures are most effective and in what circumstances, to foster a culture of evidence-based practice;
- The Platform should sponsor a series of 'pilot exercises' to trial and robustly evaluate novel policy measures, and actively disseminate the findings to support replication of good practices elsewhere; and
- Further research should be undertaken to provide an estimate of the scale, and nature, of activities that comprise the collaborative economy.

The ability to compare Member States in terms of the size and composition of their collaborative economies is severely hampered by the lack of a common definition of the

collaborative economy and regularly collected, standardised survey data. We therefore recommend that:

- A common definition of the collaborative economy be developed and applied across all 28 Member States to ensure common understandings and measures.
- The Platform consider how existing data from EU-wide surveys, such as the Eurobarometer survey and Labour Force Survey, could be enhanced by the inclusion of specific and better questions on aspects of and involvement in the collaborative economy.

Finally, the cross-border nature of some forms of collaborative economy activity – notably crowdworking – imply a need for systems to enable sharing, and good information flows and cooperation between different Member States. We therefore recommend that:

- The Platform actively facilitates increased understanding of the cross-border nature of aspects of the collaborative economy and the feasibility of coordinated action.

1 Introduction

This report examines the consequences of the collaborative economy for undeclared work in the EU. It explores the ways in which the collaborative economy might give rise to undeclared work and actions taken by national governments and enforcement bodies to regulate work activity in the collaborative economy.

Organisations in the collaborative (or sharing¹) economy 'use online platforms to connect distributed groups of individuals and enterprises and enable them to share access to their assets, resources, time and skills on a scale that was not possible before' (Vaughan and Daverio, 2016: 23). Two basic types of platform are used: asset-based platforms and labour-based platforms (RSA, 2016). The former involves the sharing of an under-used asset, such as a house or car, while the latter involve the provision of labour services and are associated with the so-called 'gig economy'.

A more detailed description of the collaborative economy has been provided by the European Commission (2016a: 3) as follows:

'The term "collaborative economy" refers to business models where activities are facilitated by collaborative platforms that create an open marketplace for the temporary usage of goods or services often provided by private individuals. The collaborative economy involves three categories of actors: (i) service providers who share assets, resources, time and/or skills — these can be private individuals offering services on an occasional basis ('peers') or service providers acting in their professional capacity ("professional services providers"); (ii) users of these; and (iii) intermediaries that connect — via an online platform — providers with users and that facilitate transactions between them ('collaborative platforms'). Collaborative economy transactions generally do not involve a change of ownership and can be carried out for profit or not-for-profit'.

Online platforms offer a wide variety of services and cover different business models, including consumer-to-consumer, consumer-to-business, business-to-consumer and business-to-business (Eurofound, 2016). Although the collaborative economy is currently relatively small, it is rapidly growing in significance. According to the European Commission (2016a), gross revenue from collaborative platforms and providers in the EU amounted to EUR 28 billion in 2015 and it is anticipated that this figure will increase rapidly and substantially in the coming years. According to a recent study conducted by Price Waterhouse Coopers (Vaughan and Daverio, 2016: 8) more than 275 collaborative economy organisations now exist across the nine major European Member States covered by the study. The UK and France have the largest number of collaborative economy organisations, followed by Germany, Spain and the Netherlands.

The collaborative economy may represent a fertile breeding ground for undeclared work for a number of reasons. Crucially, the collaborative economy blurs the distinction between personal and commercial activities, which can lead to uncertainty over the application of rules in relation to employment rights and taxation (European Commission, 2016a). Individuals who earn relatively small amounts by, for example, hiring out their car, may be unaware if their income is taxable or how much of it might be liable to tax. Furthermore, the collaborative economy introduces ambiguity into the employment status of those who provide on-demand labour services through digital platforms. Companies who contract with workers through digital platforms typically treat those workers as though they were independent, self-employed 'micro-entrepreneurs', which means that those workers do not have the same employment rights and social insurance entitlements as employees. However, there are concerns that the gig-economy is leading to a substantial increase in the casualisation of work and bogus self-employment (Eurofound, 2016; Heyes and Hastings, 2017).

¹ The terms collaborative economy and sharing economy are used interchangeably in the literature. For sake of consistency, this report refers to the collaborative economy throughout.

Although the potential pitfalls of the collaborative economy suggest the need for regulatory responses, national governments are likely to be concerned that regulations do not substantially damage the growth potential of the collaborative economy. Diversity is apparent across the EU. For example, EU legislation does not establish at what point a peer-to-peer service becomes a professional service and Member States therefore use different criteria to distinguish between the two. Some Member States make a distinction based on income thresholds, which may vary from sector to sector but which can serve to ensure that non-professional service providers are treated more leniently for tax, licencing and other purposes (European Commission, 2016a). Other Member States define professional services as services that involve remuneration and peer-to-peer services as services that seek to compensate the costs incurred by service providers (ibid).

This study examines different regulatory approaches in the EU and identifies national good practices that might be emulated by other EU Member States. This study focuses on the following sectors

- **peer-to-peer passenger transportation**, where digital platforms are used to connect riders to travelling options. This sector includes app-based short-distance ride sharing services (e.g. Uber), long-distance ride sharing services (e.g. Blablacar) and car sharing networks (e.g. GetAround, Enjoy, Zipcar, Car2Go and driveway/parking sharing platforms) (Vaughan and Daverio, 2016: 23)
- **short term accommodation rental**, in which householders share access to their home or rent out a holiday home. This sector includes peer-to-peer rental platforms (e.g. Airbnb), home-swapping platforms (e.g. LoveHomeSwap) and online-only vacation rental platforms (e.g. HomeAway) (ibid.).
- **domestic services**, in which freelancer marketplaces enable individuals to access household services such as plumbing, electrical work and food delivery. This sector includes generalised (e.g. UberRUSH) and specialised (e.g. Instacart, Deliveroo) on-demand delivery services, DIY services (e.g. TaskRabbit) and specialised household services (e.g. ZipJet) (ibid.)
- **professional services crowdworking**, in which digital platforms enable businesses to access professional services, such as administration, consultancy, accountancy or translation tasks via the Internet. This sector includes online-only freelancer marketplaces (e.g. Upwork for more administrative services) and specialised on-demand professional service platforms (e.g. HolterWatkin) (ibid.)

Vaughan and Daverio (2016) have estimated that these four sectors of the collaborative economy were, with the addition of the collaborative finance sector, responsible for generating revenues of almost €4bn and facilitating €28bn of transactions in 2015. They claim that these sectors could be responsible for generating global revenues of \$335bn by 2025.

The content of the report is informed by the academic and policy literatures relating to the collaborative economy as well as detailed case studies of six EU Member States. The case studies were commissioned for the report and covered France, Germany, Italy, the Netherlands, Spain and the UK². The case studies included interviews with relevant national stakeholders. The case study findings were supplemented by interviews with representatives of European social partner organisations.

The report is structured as follows:

- Section 2. The growth in participation in the collaborative economy.
- Section 3. Legislative frameworks relating to the collaborative economy.

² The following organisations were consulted at national level: France....

- Section 4. Sectoral analysis of the differential impacts of the collaborative economy on undeclared work.
- Section 5. Strategies to tackle undeclared work in the collaborative economy
- Section 6. Approaches to preventing the proliferation of undeclared work in different sectors.
- Section 7. Cross-border practices.
- Section 8. Tackling undeclared work: the perspectives of the European social partners and other stakeholders.
- Section 9. Conclusions and recommendations.

2 The growth in participation in the collaborative economy

Key questions addressed in this section include:

What is the size of the collaborative economy? To what extent is it associated with undeclared work?

Is the growth of the collaborative economy regarded as a matter of concern by policy makers/enforcement bodies?

Are platforms in some sectors more likely to lead to undeclared work than in others?

What are the potential and actual consequences for (a) the tax base and social security, (b) labour standards (e.g. bogus self-employment), (c) businesses and workers in the four sectors that do not operate on platforms and which are in the formal economy?

Key findings:

There is no single definition of the collaborative economy.

The accuracy of figures relating to participation is doubtful. Surveys provide different estimates within countries.

The 2016 Eurobarometer survey found that 52 percent of respondents had heard of collaborative platforms and 17 percent had used services provided via platforms.

The collaborative economy offers benefits, but also risks and challenges. These include bogus self-employment, unfair competition and a failure to pay tax and social security contributions.

2.1 The size of the collaborative economy

The lack of a single definition of the collaborative economy is a major impediment to efforts to measure and compare its size between EU Member States. Although improvements to national official statistics are being pursued, substantial knowledge gaps currently exist in relation to the size and characteristics of the collaborative economy.

The number of people working in the collaborative economy cannot be accurately measured using conventional labour market measures (Brinkley, 2016). For instance, workers who only occasionally offer labour services through digital platforms may not regard what they do as a 'job'. Although tax returns provide an alternative measure, Brinkley notes that the most direct measure is the number of providers registered on platforms. However, comprehensive lists of platform providers do not yet exist.

A small number of studies exist that enable some comparisons of EU Member States to be made. The European Commission's (2016b) 2016 Eurobarometer survey of 14,050 individuals provides an indication of the extent of involvement in the collaborative economy across the EU. The study found that 52 percent of respondents had heard of collaborative platforms and 17 percent had used services provided via these platforms. Awareness and use of services offered via platforms was most common among younger and more highly-educated respondents living in urban areas. Twenty-seven percent of respondents aged between 25 and 39 years said that they had used platform-provided services compared to 10 percent of those aged 55 or over. Within EU Member States, respondents in France (36 percent) and Ireland (35 percent) were most likely to have used collaborative platforms, while those in Cyprus (2 percent), Malta (4 percent) and the Czech Republic (7 percent) were the least likely to have done so.

Thirty-two percent of respondents who had visited a collaborative platform said that they had provided services through it, and 5 percent stated that they did so every month. Men (35 percent) were more likely than women (26 percent) to have provided

services via a platform. Those providing services through platforms were also more likely to live in a large town (36 percent) than a small town (27 percent) or rural location (31 percent). Although people in the age group 15-24 years were slightly more likely than older people to have offered a service once (11 percent compared to eight percent in each of the older age categories), older people were more likely to offer services occasionally (every few months) or regularly (monthly). For example, eight percent of those aged 40 to 54 years said that they offered a service every month compared to one percent of those in the age group 15-24 years.

A survey by ING International³ of 14,829 people across 15 EU Member States provides further evidence of the extent of participation. The survey, which was conducted in 2015, found that 27 percent of respondents had heard about the 'sharing economy'⁴, but did not participate in it. Five percent had both heard about it and participated in it. Participation rates (relating to services that involve a financial transaction) varied, ranging from 2 percent in Austria, Germany, the Czech Republic and Belgium to 6 percent in Spain.

Further information is provided by a study undertaken by PwC (Vaughan and Daverio, 2016), which estimated that more than 275 collaborative economy organisations have been created across nine European Member States (Belgium, France, Germany, Italy, Netherlands, Poland, Spain, Sweden, the UK). More than 50 organisations have been founded in the UK and France. Germany, Spain and the Netherlands have each created more than 25 organisations, while fewer than 25 organisations have been founded in Sweden, Italy, Poland and Belgium.

We now turn to examine evidence from individual countries.

France

France's Ministry of the Economy has estimated that between 250 and 300 platforms operate in the country⁵. Most activity is concentrated in three sectors: short term accommodation, peer to peer transport and domestic services. The three French main platforms (in terms of the number of users) are Le bon coin (Domestic Services), Air B&B (short term accommodation) and Blablacar (peer-to-peer transport). The collaborative platforms' activities are measured each year by an online survey company called Inside Onecub⁶ (<https://inside.onecub.com/Ranking/1/0/0/232>).

According to a survey conducted in November 2014 by TNS Sofres⁷, 5.9 percent of people gain more than 50 percent of their income from the collaborative economy. The largest proportion was among people aged between 24 and 35 years old (12 percent received more than 50 percent of their income from the collaborative economy, compared to 2 percent of those aged 65 years and over).

Germany

According to a 2015 survey by ING International (2015: 5), only 2 percent of German respondents have heard about the collaborative economy and participated in it, while 18 percent have heard about it but not participated. Estimates of the number of platforms operating in Germany vary substantially. Vaughan and Daverio (2016: 26-27) identified 30 collaborative economy platforms whereas Mrass and Peters (2017: 9-10) identified 42 German online platforms in the crowdworking sector alone. After further investigation, they found out that only 32 of these platforms were active. This indicates

³ <https://www.ing.com/Newsroom/All-news/European-sharing-economy-to-grow-by-a-third-in-the-next-12-months.htm>

⁴ This was the term used in the survey. It was defined as 'utilising goods (such as a car, house or lawnmower) that would otherwise be idle or unused'.

⁵ Stakes and Perspectives of Collaborative Consumption, General Division of Enterprises, PIPAME, Ministry of Economy, June 2015

⁶ A French data survey company which examines digital uses and trends based on surveys of 2196 users. Data are updated each week.

⁷ A French private survey institute

on the one hand how difficult it is to obtain accurate information about the scale of these sectors and, on the other hand, that information concerning the scale of sectors becomes outdated very quickly.

In an online-survey (Huws and Joyce 2016a) involving 2,180 German adults aged between 16 and 70, 22 percent of respondents stated that they tried to find work via online platforms. Among all participants, 18 percent stated that they earned at least half of their income (but not their total income) via online-platforms (equivalent to 1.2 million people) and 2 percent (equivalent to 120,000 people) stated that they earned all of their income this way. The survey found that crowdworkers do not necessarily specialise in one task but rather look for different tasks across sectors. Of the 330 German adults who found paid crowd work online, 71 percent found 'office work, short task or clickwork', 63 percent performed creative or IT work, 57 percent undertook professional work, and 57 percent carried out 'errands or office work on customers' preferences'. Fifty percent stated that they found personal transport and other driving work (Peer-to-peer passenger transport sector). Fifty-eight percent regularly worked in someone else's home, and 50 percent undertook personal services work connected to the domestic services sector.

Other surveys have collected information about participation and provided a variety of estimates:

- A representative telephone survey among 1,000 persons aged 18 years and older that was carried out by the survey firm TNS for the German Consumers' Association (VZBV 2015) in 2015 found that four percent of respondents had experience with private accommodation renting and 10 percent with car sharing.
- However, an online survey carried out in 2014 on behalf of the Federal Ministry for Environment and the Federal Environment Agency (BMUB/UBA 2015) among 2,000 persons, showed slightly different results; here the shares were 6 percent (private accommodation renting) or 5 percent (car sharing).
- A representative survey carried out among 2,036 persons (aged 18 and older) in 2014 (Gossen and Scholl 2016) found that six percent of respondents had participated in renting or renting out private accommodation.
- A further survey of 21 out of 32 active crowdworking platforms in Germany found that an average of 93,909 crowdworkers were registered per platform, with the largest having 500,000 registered members (Mrass and Peters 2017: 13). The total number of crowdworkers on the platform was estimated at 1.16 million in January 2017, with approximately 25 percent being active members (Mrass and Peters 2017: 19-20).
- According to a representative survey of 1,158 internet users carried out by Bitkom, 16 percent of persons who utilise household services (including private tuition for students) booked these online. The share was largest among 30 to 49-year olds (21 percent).
- A survey of 434 crowdworkers (Leimeister et al., 2016) found that individuals were active on two platforms on average. Most of them were single and men and women were equally represented. Almost half of crowdworkers had a university degree. Their income varied depending on the type of platform they worked on: Some earned a large share of their total income via crowdwork (e.g. designers), while others (especially on microtask platforms) often worked for less than €100 per month and less than 10 hours per week.

Italy

Research institutes in Italy have produced various studies of participation in the collaborative economy. The most recent research report, which was published on the website www.sharitaly.com in 2016, is the latest in a series that began in 2013. The

report maps collaborative economy platforms in Italy that meet a number of criteria, including:

- Platforms directly connect people to people, and thereby enable peer collaboration;
- The transaction price is set by users and not by the platform;
- Staff are not selected by the platform;
- The platform regulates trust between peers through a reputational system (by using reviews or other criteria); and
- Platforms allow the participation of both professional and non-professional users.

The above parameters therefore exclude platforms which set the price of services, select staff, or connect only professional users and clients.

The SharItaly study reported that 138 collaborative platforms were present in Italy in 2016, compared to 118 in 2015 (an increase of 17 percent). Thirteen of the platforms were found to be inactive. Five of the platforms focused on tourism and space/home sharing and 22 were concerned with domestic services. Twenty-five platforms were concerned with transport. By contrast, crowdworking appears to be very limited in Italy.

The SharItaly report provides information about the location of platforms and the number of users and employees involved:

- A majority (54 percent) of platforms are located in the North of Italy, particularly in Milan (15 platforms). Men comprise a slight majority is users (52 percent).
- Fifty-nine percent of users are in the age range 25-44 years.
- Forty-seven percent of platforms have no more than five employees. A further 47 percent have between 6 and 10 employees and 5 percent have more than 15 employees.
- Thirty-one percent of platforms have more than 30,000 users, 18 percent have between 30,000 and 100,000 users, 7 percent have between 100,000 and 500,000 users and a further 7 percent have more than 500,000 users. Seventy-two percent process fewer than 1,000 transactions each month.

SharItaly does not provide information about Uber. However, in 2016 Uber was estimated to have approximately 5,000 drivers in Italy (prior to being declared illegal in a Court decision taken in 2017). Platforms such Foodora and Deliveroo, where users buy food online which is then delivered to their homes by 'riders', are also not covered in the SharItaly report. However, these platforms have recently attracted attention in Italy as they have provided the context for the first ever strikes in the collaborative economy. The strikes took place in response to workers' concerns about the rigidity of timetables, low wages and being treated as self-employed workers.

The Netherlands

More than 200 platforms are active in the Netherlands.⁸ In 2015 the collaborative economy was estimated to be worth between €40 and 60 million, equivalent to (at most) 0.01 percent of GDP.

It has been estimated that in 2013 six percent of Dutch people sometimes used a platform. By 2016 this figure had increased to 23 percent (Kaleidos Research, 2016). Twenty-nine percent of Dutch people under the age of 35 share through platforms, compared to 20 percent of those aged 35 and over. In both groups, there has been an increase in participation over the past three years. However, accurate information

⁸ Recently a webpage was launched to provide an overview of the platforms that are active in the Dutch collaborative economy: www.deeeconomiein nederland.nl. More than 200 platforms are listed grouped into 11 categories. This overview is not complete, but provides the only overview of platforms up to now.

concerning the growth of platforms is lacking. Statistics agencies do not have access to transaction data and platforms themselves are not necessarily accurate when reporting on their growth (Frenken, 2017).

Approximately half of the value of the collaborative economy is associated with the renting of accommodation. Airbnb is the main platform for accommodation rental in the Netherlands. Seventy percent of the bookings relate to Amsterdam. In 2016, almost 1.7 million overnight stays were booked in the capital through the platform, compared to 736,000 overnight stays in 2015. A recent study has shown that the turnover of Airbnb in 2015 was €105 million, compared with € 1.13 billion for hotels.⁹ Despite a tightening of enforcement, Airbnb has continued to grow (the number of overnight stays booked in the first quarter of 2017 was 34 percent higher than the first quarter in 2016).¹⁰

'Odd job' platforms are also growing rapidly. On the Dutch Werkspot 7,500 professionals are active in the Netherlands. Another successful Dutch platform is Thuisafgehaald, which enables people living in a neighbourhood to pick up a meal for a small fee. Approximately 10,000 cooks offer meals through this platform.

The number of shared cars in the Netherlands has sharply increased in recent years, mainly due to the growth in peer-to-peer activity. There are currently over 14,000 share cars available to private individuals and 77 percent of these are available on a peer-to-peer basis. Approximately one percent of Dutch people aged 18 years and older have participated in car sharing, accounting for 0.02 percent of all car journeys made in the Netherlands. Car sharers are predominately young and single or have families with small children. The use of shared cars is primarily concentrated among residents of urban areas, such as Amsterdam and Utrecht. The shared cars are used only occasionally, and primarily for visiting friends and family.

Eighteen percent of respondents to an online survey of 2,125 Dutch adults aged 16-70 years (Huws and Joyce, 2016b) stated that they had tried at some time to find work managed via platforms. This is equivalent to around 2.2 million people. Twelve percent of respondents said they had at some time earned money in this way, equivalent to around 1.4 million people. Three per cent of respondents claimed to find paid work via online platforms at least once a week, equivalent to around 360,000 adults, with 5 percent, or around 600,000, finding such work at least once a month. The collaborative economy was found to be the only, or main source of income, for six percent of crowdworkers. In 42 percent of cases the collaborative economy provided less than half their income. The most common types of crowd work, undertaken by more than 58 percent of crowd workers, were office work, short tasks and 'click work' done online. Women were slightly less likely than men to be crowd workers (46 percent of crowdworkers were female). More than one-in-five (22 percent) of crowdworkers were found to be aged between 16 and 24 years, and the same proportion between 25 and 34 years. The remainder were distributed across the older age bands (Huws and Joyce, 2016b).

Spain

The ING International Survey, conducted in 2015, found that 31 percent of the Spanish adult population were familiar with the collaborative economy and that 6 percent had participated in activities involving a financial payment.

According to PWC (2016), peer-to-peer short-term accommodation rentals managed by online platforms account for approximately 25 percent of the total supply of rooms in urban tourist centres. The three most important peer-to-peer accommodation market players are Airbnb (27 percent of the peer-to-peer market), HomeAway (24 percent) and Niumba (14 percent).

⁹ <https://www.hospitality-management.nl/airbnb-groeit-enorm-in-amsterdam-11401>

¹⁰ <https://www.khn.nl/nieuwsberichten/2017/05/khn-roep-om-meldplicht-airbnb-nog-luider>

A Spanish newspaper (*20 minutos*) recently reported the results of a study commissioned by several organisations (Adigital, Círculo de Empresarios, Fundación de Estudios Financieros and Cotec) that were presented at an international event on the collaborative economy ('Sharing Madrid', 13-14 June 2017). The study, which has not yet been published, suggests that accommodation and transport are the two most important sectors of the collaborative economy in Spain, accounting for 30-35 percent and 10-15 percent of total users respectively (*20 minutos*, 17-06-2017).

Statistics and data to measure growth over time are not available. For instance, figures on short term accommodation rentals managed by a newly regulated juridical figure that can cover 'collaborative rentals', the so-called 'dwellings for tourism use', are not available in the statistics yet (CNMV 2016).

The evolution of peer-to-peer transport platforms can be to some extent be measured by increases in the number of so-called VTC licences. VTC licences allow drivers to provide rented transportation services, but do not allow them to pick up a client without an appointment or use lanes for taxi drivers. In Spain, VTC licences must be authorised. According to CNMV (2016), the number of VTC licenses increased from 1,651 vehicles recorded in 2000 to 3,474 in 2015. According to the Ministry for Public works, there are currently 5,848 VTC licenses in Spain (as of July 2017).

Unlike for most of the other countries covered in this report, detailed information about the characteristics of the people involved in the collaborative economy is not available for Spain. However, academic studies have found that young people are the most likely to be involved (Triguero, 2016).

UK

The UK's sharing economy was estimated to be worth £0.5 billion in 2014 and has been forecasted to be worth £9 billion by 2025¹¹.

A recent study by the University of Hertfordshire and the market research company Ipsos MORI for the Foundation for European Progressive Studies (FEPS) and UNI Europa, found that 21 percent of 2,238 UK adults surveyed had tried to find work via platforms during the previous 12 months (Huws et al., 2016). The study estimated that this was equivalent to approximately 9 million people, or almost one-fifth of the UK's adult population. Eleven percent of respondents reported that they had succeeded in finding work through platforms. The study found that a slight majority of crowdworkers were female and more than half were under the age of 35. One quarter of all crowdworkers stated that the work they found via platforms provided their main or sole source of income. In general, incomes were found to be modest. Forty-two percent of crowdworkers said that they earned a gross income of less than £20,000 per year and only 7 percent claimed to have gross earnings in excess of £55,000 a year.

The RSA's (2016) study of 8,000 people has suggested that there are 1.1 million gig workers in the UK, 59 percent of whom are found in professional, creative, or administrative services (Balaram et al., 2017). Men are more likely than women to be gigworkers (69 percent compared to 31 percent). According to the study, 38 percent of gigworkers use platforms to source all of their work, while the remaining 62 percent use platforms to supplement their existing income.

In April 2016, the UK's Office for National Statistics (ONS) published a feasibility study¹², which examined possibilities for developing statistics on the collaborative economy in the UK. In developing the study, the ONS conducted focus groups and interviews with businesses and individuals who had experience of participating in the collaborative economy. The study focused on measuring accommodation sharing, car sharing, and

¹¹ http://pwc.blogs.com/press_room/2014/08/five-key-sharing-economy-sectors-could-generate-9-billion-of-uk-revenues-by-2025.html

¹²

<https://www.ons.gov.uk/economy/economicoutputandproductivity/output/articles/thefeasibilityofmeasuringthesharingeconomy/2016-04-05>

skills and services sharing. Despite the restricted sectoral focus, the ONS reports that interpretations of the (to use their term) 'sharing economy' differ considerably between businesses and individuals and issues relating to recall and data confidentiality were raised in relation to possibilities for measuring transactions in financial terms. The report highlighted a need for ONS to develop a better understanding of:

- How businesses in the collaborative economy record administrative data (a potential source of information for the ONS);
- How businesses in the collaborative economy are structured; and
- The potential of 'big data' and techniques such as web scraping and Application Programming Interface (API), which may enable producers of official statistics to obtain transactional data directly.

A subsequent progress report¹³, published in October 2016, outlines a number of steps taken by the ONS. These include:

- Introducing new questions on the Internet Access Survey for households and individuals and the E-commerce Survey for businesses. The questions will gather information about the proportion of adults and businesses that have arranged accommodation or transport services via platforms such as Airbnb, SpareRoom, Uber and Lyft. This information will provide a measure of the prevalence and growth of these activities.
- Sampling collaborative economy businesses in at least one ONS survey during the next available reference period. The aim is to improve understanding of the collaborative economy and the characteristics of businesses. The hope is that this will enable further sharing economy platforms to be identified, both manually and by applying 'data science techniques to the Inter-Departmental Business Register (IDBR)'.
- Obtaining access to data from sharing economy businesses either directly from their accounts, or their websites via application programming interfaces (APIs, which provide a direct feed of underlying data) or web scraping (extracting semi-structured data directly from a website). However, many collaborative economy websites do not have (or do not offer) an API and either prohibit web scraping or do not specify whether web scraping is prohibited. In addition, there are clearly concerns relating to security and privacy.
- Investigating other administrative data sources, such as self-assessment tax returns from Her Majesty's Revenue and Customs (HMRC), which could be used to inform sharing economy estimates.

The report also mentions that the new questions on the Internet Access Survey, which asks households and individuals about their use of websites and apps to arrange accommodation or transport services, are to be harmonised across the EU Member States, which will enable Member States to be compared.

2.2 Concerns relating to the collaborative economy

The collaborative economy can provide several benefits, such as enabling service providers to reach a wider customer base and making it easier for customers to identify and transact with providers. However, there are also a number of potential difficulties, some of which relate to undeclared work.

Commercial v. non-commercial activities

The distinction between non-commercial and commercial activities can be unclear and it is possible that, over time, what began as a non-commercial activity can become a

¹³

<https://www.ons.gov.uk/economy/economicoutputandproductivity/output/articles/thefeasibilityofmeasuringthesharingeconomy/progressupdate>

commercial activity. For example, if platforms allow drivers to provide transportation for reasons other than sharing the cost of a car journey, it is possible that transport service providers will begin to operate on commercial lines, raising the possibility of undeclared work.

Member States distinguish commercial from non-commercial activities in different ways for tax purposes. In Spain, any service delivered for a price is a commercial activity and the income must be declared. In the Netherlands, collaborative economy activities must be declared if the fee received exceeded the cost of providing the service and if the activity is regular. Income thresholds for distinguishing between taxable and non-taxable activity are used in France, Germany and the UK. Even so, clarity can be lacking. In Germany, for example, the distinction between for-profit rentals and accommodations offered by private persons has yet to be clearly defined (Peuckert et al., 2017: 26; Vogelpohl and Simons, 2015: 18-20).

Unfair competition

Ostensibly non-commercial activities in the collaborative economy can lead to an undercutting of established service providers. Private persons who supply services in the short-term accommodation or peer-to-peer transport sector are usually not subject to value added tax or business tax. This could lead to tax deficits if traditional providers in the personal transport or hotel sector who are subject to these taxes are forced out of the market by collaborative economy actors (Vogelpohl and Simons, 2015: 19).

In 2016, Federalberghi, the main business organization of the tourist-services sector in Italy, published a study that argued that the AirBnB platform, although formally intended for people wishing to rent a portion of their own homes, allows the provision of services similar to those provided by traditional hotels. The study highlighted that:

- 70.2 percent of rentals are of entire apartments, where no one (including the AirBnB 'host') lives;
- 79.3 percent of rentals are available for more than 6 months each year;
- 57.7 percent of rentals are published by hosts who handle more than one property;
- Some 'private hosts' own multiple properties in different areas; and
- The rentals offered are mainly found in popular tourist resorts.

Short-term accommodation rental websites may be used commercially, with users offering (multiple) accommodations for long-term rent (Vogelpohl and Simons 2015: 18, 25). That means that short-term accommodation rental portals create opportunities for the provision of commercial services that otherwise would be subject to social security contributions and taxes. Furthermore, companies may use platforms to offer services while hiding behind an imaginary private host and avoiding paying taxes.

The collaborative economy can potentially lead to downwards competition between the professionals offering services through the platform. For example, in Spain the Adtriboo platform has been criticized for setting prices below the prevailing average, which has been seen as encouraging a race to the bottom.

Bogus self-employment

The risk of bogus self-employment is particularly high in the collaborative economy. Companies such as Uber and Deliveroo have attracted a substantial amount of attention from policy makers, the media, trade unions and other stakeholders for operating business models that exploit the grey area between employment and self-employment.

As platforms serve as intermediaries between service providers and service users, it is not necessarily clear if a worker is self-employed or an employee of the platform. If workers do not receive instructions from the platform, are able to set their own prices and can determine their own hours of work, they are likely to be genuinely self-

employed. However, the standards of service to be provided or the price of the service are in some cases determined by the platform, which would indicate a dependent relationship and, therefore, that workers are not genuinely independently self-employed (Eichhorst and Spermann, 2015: 29).

A previous study conducted for the Platform has highlighted that workers in bogus self-employment are denied basic employment rights, such as the right to paid holidays, entitlement to receive at least a minimum wage, the right not to be unfairly dismissed and collective representation (Heyes and Hastings, 2017). The study emphasised the importance of well-designed deterrence and incentive measures in tackling bogus self-employment. Related issues are addressed in Section 5 of the current report.

Social insurance

Inadequate social insurance coverage is also a problem that affects many workers in the collaborative economy. Where workers are in bogus self-employment, the employer will not be making social insurance contributions on their behalf and it may be that the workers themselves will not pay social insurance contributions. The latter issue can be a problem even if workers are genuinely self-employed. Contributing to social security insurance schemes is not necessarily mandatory and there is therefore a risk that self-employed workers will not be covered. According to a survey among German crowdworkers (Leimeister et al., 2016), 34 percent of those crowdworkers who earn the largest share of their income from crowdwork do not contribute to health or unemployment insurance and 47 percent do not contribute to retirement plans. In Spain, self-employed persons (whether in the collaborative economy or not) who estimate their annual income to be below the annual statutory minimum wage are exempted from registering with the social security authority and paying contributions (although they would still be required to declare the income obtained for tax purposes).

2.3 Summary

It is difficult to compare growth in collaborative economy participation in different EU Member States. Although the Eurobarometer survey has provided valuable findings, not all national governments collect detailed information about participation in the collaborative economy on a regular basis. A number of studies have been conducted by academics and research institutes in various EU Member States, but sample sizes and definitions vary and it is not always possible to distinguish between those who provide services via platforms and those who consume these services. Moreover, information about the collaborative economy becomes outdated very quickly. Nevertheless, it is clear that the collaborative economy is rapidly growing in significance. The growth has generally been welcomed and encouraged by national governments. However, it is also recognised that the collaborative economy presents new policy challenges, given that it can lead to unfair competition, a growth in employment insecurity and new possibilities for undeclared work. Policy makers are aware of these issues and, as shown in this report, have begun to take steps to address some of them. However, a number of the country case studies emphasised that policy makers are wary of introducing regulations that might constrain the growth potential of the collaborative economy.

3 Legislative frameworks relating to the collaborative economy

Key questions addressed in this section include:

Across which policy areas do legislative measures relating to the collaborative economy exist?

Are there specific legislative provisions, gaps or loopholes that could potentially encourage the growth of undeclared work in the collaborative economy?

Are there specific legal provisions that are aimed at regulating the collaborative economy and preventing undeclared work in the collaborative economy?

Key findings:

Legal measures in relation to the collaborative economy are not well developed.

Transportation and accommodation have attracted the most attention. The focus has been on strengthening rules relating to licences and authorisations.

Tax authorities in some countries (France, UK) have recently acquired new powers to request information from platforms so as to prevent undeclared work.

Policy makers are concerned that regulation does not unduly restrict the growth potential of the legitimate collaborative economy by imposing unnecessary bureaucracy. However, when the collaborative economy results in illegitimate activity and unfair competition for formal businesses, then the consensus is that action is required.

A number of EU Member States have recently updated their legislative frameworks in order to address issues associated with the collaborative economy (Vaughan and Devario, 2016). For example, Estonia has introduced a Public Transport Act, which regulates ride-share services and a tax reform (the Enterprise Account) intended to promote small businesses (Eurofound 2016). This section provides an overview of the legal context in the six case study countries, with Table 1 summarising the most important measures.

Table 1: Summary of legal provisions

Measure	Country
Authorities have a right to demand information from platforms	France, UK
Platforms are required to provide platform users with an annual statement	France
Measures to improve the position of self-employed workers	France, Italy, UK
Requirement for short-term rental providers to register with an authority	France, Germany (some municipalities, e.g. Munich, Hamburg, Berlin), Spain, Netherlands (Amsterdam)
Time limits for short-term accommodation rentals	France, Netherlands, Spain
Income thresholds for distinguishing between taxable and non-taxable activity	France, Germany, UK
Platforms collect tax on behalf of the tax authority	Italy, France ¹⁴
Strengthening of regulations relating to transportation licences	France, Spain

3.1 France

The legal framework relating to the collaborative economy has altered annually since 2014. The first sector to be affected was the transport sector. The 2014 Thevenoud Act decreed that companies organising transport for individual clients and without having a transport licence can be sanctioned by two years' imprisonment and a fine of €300,000. One consequence of the law was that services organised by UberPop were prohibited.

Two key pieces of legislation have been the 2014 Finance Act and the Finance Act for Social Security 2016.

The Finance Act of 2014 introduced the possibility for the tax administration to use the *droit de communication non-nominative*. This right enables the tax administration to access lists of platforms users, based on criteria determined by the tax administration. For instance, the tax administration is currently able to require that information be provided about any individual who has earned more than €8,000¹⁵ of revenue with a platform. This is the threshold beyond which service provision (e.g. renting out a room) is treated as a 'professional' activity. It is thus possible to identify individuals who should declare earnings to the tax administration. The 2016 Finance Act for Social Security granted a similar *droit de communication non-nominative* to ACCOSS, the organisation that is responsible for collecting social contributions, and its regional body URSSAF.

The 2016 Finance Act also required that companies which electronically bring together people for the purpose of sharing or selling a service or a good must provide, for each transaction, accurate, clear and transparent information about the tax and social contributions that must be paid by platform participants. They must make links to participants available on their websites. Each January, companies must provide users

¹⁴ It is not a legal requirement that platforms collect tax in France. However, agreements have been reached between AirBnB and the local authorities in 50 French towns, under which AirBnB has committed to collecting tourism tax on behalf of the authority.

¹⁵ Finance Act 2017

with a document showing the total amount earned over the previous year. The document must include: 1) company name and address and VAT number (or company tax number in the case of foreigners); 2) the user's name, email and postal address; 3) number of transactions conducted; and 4) the amount earned by the participant.

More recently, Section 60 of the 2016 Labour Act introduced new provisions affecting self-employed workers who work for platforms that determine the price and characteristics of the goods and services provided. The new law:

- Enables self-employed persons to ask platforms to pay for individual accident insurance (alternatively a collective insurance policy can be also proposed);
- Gives self-employed persons a right to access training and request that platforms make a financial contribution towards training and/or the validation of prior experience. The self-employed must reach a minimum level of turnover with the platform (€5,000 in 2017) to be able to ask for insurance and training support;
- Allows workers to unionise in order to defend their rights.

Further important measures were introduced through the Digital Republic Act of 2016. This law introduced an obligation for platforms to provide accurate information to better protect their users and also a requirement that they inform parties about their respective rights and obligations.

The Digital Republic Act also introduced new regulations concerning short-term accommodation:

- Owners of rental properties in cities that have a shortage of accommodation must declare their intention to advertise short-term rentals to the municipality or risk a fine of up to €5,000; and
- Short-term accommodation platforms are required to observe the limit of 120 days which is the maximum number of days for which a room can be rented out. The law obliges platforms to control and penalize owners that rent rooms more than 120 days a year when it is the main house of the owner (the law does not refer to second homes). During the 120 days a year, the owners must change the status of their home from a private dwelling to a commercial dwelling.

Finally, the Digital Republic Act granted the DGCCRF (General Division of Competition, Consumption and Fraud Control) the power to investigate, evaluate and compare operators' practices and disseminate information about those practices. Furthermore, the authority is empowered to publish a list of platforms that do not respect their obligations.

3.2 Germany

Since 2013, several municipalities and Länder (Berlin, Hamburg, Munich, Cologne) have passed regulations to prevent 'incorrect use' of private living space (*Zweckentfremdung*) as housing shortages in these cities have been linked to the popularity of short-term accommodation rentals (Peuckert et al., 2017: 27). For example, since May 2014 accommodation rental in Berlin has been subject to official authorisation for purposes other than residential purposes. Authorisation must be obtained if living space is rented repeatedly for remuneration or commercial purposes (e.g. short-term accommodation rental to tourists). This regulation was adopted to prevent an increasing shortage of living space rather than to tackle undeclared work.

Professional accommodation rental is subject to strict fire prevention, hygiene, and tax regulations (Haucap 2015: 7). Private persons in the short-term accommodation rental sector are not, however, subject to these regulations and therefore have cost advantages. However, some private persons use portals like Airbnb in a commercial way, a loophole which contributes to the growth of undeclared work in the short-term accommodation rental sector.

Private households can be employers of domestic workers or customers of domestic services, e.g. by paying for services of self-employed domestic workers or household service provision companies (Düll and Vetter, 2015). As employers, private households can choose between offering full-time or part-time jobs subject to full social security contributions, midi-Jobs, or mini-jobs. Commercial providers are usually too expensive for private households as they often charge twice the undeclared work price, while mini-jobs are characterised by comparatively low costs, lesser administrative burden, and tax benefits (Eichhorst and Spermann, 2015: 25). The Federal Ministry of Finance (BMF, 2016) has clarified that domestic services are income-tax deductible if payments are made through an online-platform, as long as the service provider, the customer, the date when the service was provided, the kind of service and the remuneration are listed on the bill. This has increased the incentive to employ domestic workers on a legal, declared basis.

In Germany, professional personal transport services are subject to official authorisation (Monopolkommission 2016: 386-387). For example, drivers have to pass a test that proves that they are familiar with the area if they work in cities with at least 50,000 inhabitants. There are also specific requirements for the vehicles in use (Monopolkommission, 2016: 387). Also, most municipalities enforce a quantitative limit as well as price regulations for taxi services (Monopolkommission, 2016: 383). These requirements do not hold if the total charge does not exceed the operating costs for a given trip, for example if private persons give each other a lift (Monopolkommission, 2016: 387). Carpooling platforms where only a small charge is made to cover operating costs, are therefore legal in Germany as the online platform is only used for coordination of the driver and the passengers. However, in business models like Uber, the passenger decides on the destination of the trip and pays a charge that exceeds operating costs. The business model is therefore similar to professional personal transport services that are subject to the abovementioned regulations (Monopolkommission 2016: 283). As UberPop did not meet these regulations, it was banned in 2016 (Monopolkommission 2016: 382, 384). It has been replaced by a service consistent with German passenger transportation regulations called UberX. UberX drivers need a licence for passenger transport and are obliged to use vehicles authorised as a hired car (Eichhorst and Spermann 2015: 30-31). However, UberX is only active in Berlin and Munich.

Although, most crowdworkers are regarded as self-employed persons, a crowdworker may also qualify as an employee who is subject to compulsory social and pension insurance (Waas, 2017: 184-186). The relationship between the crowdworker, the crowdsourcer, and the platform is often not clear (Waas 2017: 143). This issue is discussed at greater length in Section 4.4.

The tax-exempt amount for accommodation rental (income from private renting minus own rental payments) is €520 per year. For peer-to-peer transport, income of more than €256 per year is subject to income tax. Tax-free activity in these sectors is therefore very limited. Value added tax (*Umsatzsteuer*) needs only be paid if gross sales exceeded €17,500 in the previous year and €50,000 in the current fiscal year. Business tax (*Gewerbesteuer*) is levied on business-like activities. The tax-exempt amount is €24,500. However, the distinction between business-like activities and private activities is sometimes not clear cut, for example in the short-term accommodation rental sector.

3.3 Italy

The collaborative economy is not yet regulated in Italy. However, the Parliament is working on a draft law (No. 3564/2016) that represents the first attempt to address the collaborative economy. The most important measures envisaged in the (non-governmental) draft law are:

- The introduction of an electronic register of platforms;
- An obligation for platforms to draw up a business policy document, to be approved by the Italian Competition Authority (AGCM). This document must include information about the governance of contractual relations between the

- digital platform and its users as well as rules regarding transactions which can only be executed through electronic payment systems;
- The introduction of a regulation on the taxation of income deriving from services carried out through platforms. Income of up to €10,000 is subject to a tax rate of 10 percent. Income above €10,000 will be treated according to provisions relating to subordinate employment or self-employment income;
 - A requirement that platforms act as 'substitutes' for the tax authorities by holding the basic taxation so taxes will be deducted at source;
 - The introduction of privacy regulations;
 - The introduction of a monitoring system for evaluating the growth of the sector and the impact of the measure;
 - The introduction of a control and sanction system. If the Authority discovers that a digital platform is not registered, it will be suspended until it has registered. Platforms which do not registered by a deadline (to be specified) will be fined up to 25 percent of their annual revenue; and
 - The introduction of a presumption in favour of the user where instances of possible economic dependence occur (especially in cases where a platform forces a user to refuse to offer customers proposals for the supply of goods or services on more favourable terms than those provided by the platform itself without just cause). This presumption would lead to the application of the Law No. 192/1998.

Currently, the only law that is directly related to the collaborative economy is Decree-Law No. 50/2017, converted into Law No. 96/2017, which covers accommodation. As short rentals do not need to be registered in Italy, it has been almost impossible for the Tax Agency to carry out inspection activities and, without them, tax evasion has become a significant problem. The problem has been exacerbated further by people renting through online portals (such as AirBnB), as it is the platform that handles payments, which makes it even more difficult to trace cash flows and combat tax evasion by individuals and 'shadow' companies. Law No. 96/2017 requires owners of rental accommodation to pay taxes on short rentals by choosing between a 21 percent fixed tax (the so-called *cedolare secca*) and a flexible tax based on the owner's total annual income. It also requires that all real estate brokers (including online portals) hold 21 percent of landlords' income from short rentals (defined as rentals of up to 30 days), which is treated as tax deducted at source and must be forwarded to the Tax Agency. The aim of this rule, unofficially nicknamed the 'AirBnB tax', is to eliminate or at least reduce the advantage that private rentals have over traditional accommodation providers (e.g. hotels), in other words their ability to avoid paying tax, which constitutes a form of unfair competition.

In addition, the new law has introduced the following requirements:

- The obligation for real estate brokers (including those represented by portals such as AirBnB) to submit information about their activities to the Tax Agency. Should they fail to do so, the broker could receive a fine of between €200 and €2,000; and
- The application of the tourism tax (the so-called City tax *tassa di soggiorno*) to short rentals (even those made through portals such as AirBnB). In August 2017, Genoa will become the first Italian city to collect the tourism tax directly from AirBnB.

A further measure implemented in 2017, although not directly related to the collaborative economy, might have implications for it in that it provides new rules for occasional work, paid for by 'vouchers'. The new law regulates two different types of occasional work: domestic services provided to non-commercial users and occasional work for small companies. The rules are that:

- Each worker cannot receive more than a total of €5,000 from occasional work;
- Each 'user' cannot pay more than a total of €5,000 to occasional workers; and
- Each worker cannot be paid more than €2,500 by the same 'user'.

The Family Booklet for households wishing to hire workers on an occasional basis contains the following rules:

- Those wishing to hire causal workers must buy the Family Booklet through the INPS (National Social Security Institute) online platform or in a post office;
- Non-commercial employers can pay workers by using vouchers that have a value of €10 for activities that take no more than one hour. This sum includes social security contributions, insurance for accidents at work and occupational diseases and the financing of operating costs (the net value of the payment is €8);
- Vouchers can be used to pay for small domestic jobs (including gardening, cleaning and maintenance), home-care for children and the elderly, those with illnesses or disabilities and additional private teaching.

Small businesses can use the occasional work contract by following these rules:

- Occasional work can only be activated by small businesses (those with no more than five permanent employees), professionals, non-profit organizations, public administrations;
- The contract can only be activated and managed through the INPS platform, thus guaranteeing a complete and generalized traceability of remuneration, without any cash flow, and a means of regularising workers' social contributions;
- Small businesses cannot sign occasional work contracts with subjects with whom a subordinate or coordinated and continuous collaboration is in progress or which has been terminated for less than six months;
- The minimum hourly fee is €9 net and €12.37 gross. The remuneration may not be less than €36 for activities not exceeding four hours worked continuously throughout the day;
- In the event that during one calendar year the worker receives more than €2,500 from the same company or he/she works for the company for more than 280 hours, the employment relationship becomes a full-time subordinate employment relationship.

The government hopes that both measures will encourage transitions from the underground gig economy. In order to create an additional incentive, the government has renounced its claim on tax deriving from such income, which is instead only subject to social security payments.

3.4 Netherlands

Although the collaborative economy is subject to existing regulations (e.g. public safety and housing rules apply to rental apartments), the Dutch government is reluctant to introduce new legislative measures. The government's emphasis is on removing obstacles to innovation and it is inclined to tackle problems as they arise, sector by sector, avoiding overarching regulation of platforms (Ministerie van Economische Zaken, 2015). The government wishes to explore possibilities for creating more flexibility in legislation and regulations, for example by applying the 'Right to Challenge' concept, which has been applied elsewhere in the EU (e.g. Denmark).

In December 2014, UberPop was banned in the Netherlands on the grounds that unlicensed drivers were transporting people for payment. However, there are very few specific legal provisions that are aimed at regulating, and preventing undeclared work in, the collaborative economy. The main example involves the regulation of the accommodation rental sector in Amsterdam. The boundary between private and

professional rental is unclear in the Netherlands, but responsibility for clarifying and managing it lies with municipalities. Amsterdam was heralded as the first city in the World to pass an 'Airbnb-friendly law'. In February 2014, Amsterdam created a new category of housing, a *Particuliere Vakantieverhuur*, or 'private vacation rental' which allows short term vacation rentals to tourists under the following conditions:¹⁶

- Only the registered, main occupant of a dwelling may rent out a property;
- The owner is the only person who can rent out the property;
- The dwelling must not be rented for more than two months a year in total; and
- No more than four people can rent a property at a time.

From 1 October, residents who rent their homes to tourists will be required to register with the municipality. Anyone who does not comply risks a fine of up to €20,500. There are no national regulations on this issue, which means that in other cities there is no limit to rentals via Airbnb. The government has stated that it will constantly monitor developments in this market. Should the existing enforcement mechanism of municipalities prove to be insufficiently effective, the government will consider whether further measures are required (Ministerie van Economische Zaken, 2015a). The government also wishes to see the consequences of the reporting obligation in Amsterdam before taking further action.¹⁷

3.5 Spain

In Spain, legislative measures related to the collaborative economy have been approved at both national and regional level, mainly to address challenges associated with peer-to-peer transportation platforms and peer-to-peer rental platforms (CNMV, 2016; PCW, 2016; De la Encarnación, 2016; Doménech, 2016).

With regard to the transport sector, there is (as noted in Section 2) a distinction between taxis and other private vehicles that can be hired (referred to as VTCs). VTCs have traditionally offered special services (e.g. luxury services) and have been far less numerous than taxis (Doménech, 2016). Unlike taxis, VTCs cannot circulate and search for clients and their tariffs are not regulated. Some peer-to-peer transportation platforms, such as Cabify, have operated in Spain with drivers holding VTC licences. Uber, on the other hand, set up its operation in Spain with drivers that had neither a taxi nor a VTC license. Uber's operation was suspended in December 2014 following a Court declaration that Uber was engaging in unfair competition as it lacked administrative authorization to operate. In March 2016 Uber was permitted to restart its operation, contracting with drivers holding VTC licences. It is currently operating only in Madrid, but intends to expand.

In November 2015, the government approved a Royal Decree (RD 1057/2015) that established a ratio of one VTC with administrative authorization to 30 taxis, with the specific number of licenses to be regulated by the regional governments. The geographical scope of each VTC vehicle's activity is restricted to the territory where the VTC has been authorised.

With regard to peer-to-peer rental platforms, Law 4/2013 excluded short-term rentals for tourism use from civil law regulating permanent rentals, placing them within the scope of sectoral tourism regulation. As the main competence for tourism rental regulation rests with the Autonomous Communities, regional governments have been responsible for the development of new regulations. Regional governments have created new short-term rental categories, variously called 'dwellings for tourism use' (Madrid, Aragón or Catalonia), 'dwellings with touristic purposes' (Andalusia), 'tourism dwellings' (Valencia) or 'vacation dwellings' (Canary Islands). These categories refer to

¹⁶ <http://insideairbnb.com/amsterdam/#>

¹⁷ <https://www.khn.nl>

homes or apartments that are promoted through tourist distribution channels and are rented out to a third party in exchange for a fee. The main difference compared to regular tourism accommodation (*alojamiento turístico*) relates to the regularity of the provision of those services, as business dealing with tourism accommodations can offer them on a permanent basis. Most of the Autonomous Communities require that the owner of properties that are let for tourist purposes be registered in a so-called Tourism Register (De la Encarnación, 2016).

Employment regulation has not been reformed in Spain to address challenges brought by collaborative economy. However, the employment status of collaborative economy workers has been a subject for debate. For example, trade unions have claimed that Uber drivers should be classified as employees instead of self-employed.

3.6 UK

UK law has recently been amended to allow the tax authority (HM Revenue and Customs – HMRC) to access bulk data from business intermediaries. This data can be compared and matched with other data held by HMRC, enabling inspections to then take place where individuals are not registered for tax or are not paying the right amount of tax.

HMRC is also examining possibilities for making tax registration a condition of, for example, obtaining licences from government, trade licences from local authorities, access to finance, or obtaining a taxi licence. This 'conditionality' approach would require new legislation.

A new rule is due to be introduced, which will be applied retrospectively from the tax year beginning 6th April 2017. The rule will allow individuals with a small income from self-employment or property rental, including via platforms such as Airbnb, to earn a gross income of up to £1,000 per annum tax free.

The main focus of this rule will be people with a second source of income that derives from very occasional, small-scale work. The rule was created following consultation with sharing economy stakeholders, such as Sharing Economy UK, who identified tax as a barrier to growth in the collaborative economy, particularly in relation to those earning a small amount of extra income. The rule is intended to reduce the administrative burden for these individuals as they will not have to register as self-employed. It will also help clarify the rules in relation to which activities are commercial and which are not.

With regard to employment rights, concerns relating to bogus self-employment in the collaborative economy have attracted considerable media and policy attention. In October 2016 Uber drivers won the right to be classed as workers¹⁸ rather than self-employed through the ruling of an Employment Tribunal. This ruling entitled Uber drivers to receive the National Minimum Wage and paid holidays. A further recent and important legal ruling in the UK concerns the plumbing firm Pimlico Plumbers which lost a legal battle over workers' rights in February 2017. The Court of Appeal agreed that one of Pimlico's self-employed/freelance workers was entitled to holiday and sick pay as well as other benefits, even though the court ruled he was also technically self-employed. The decision hinged on an understanding that self-employed contractors should be classed as workers who are entitled to certain employment rights.

The issue of employment status was recently discussed by a government review of 'modern working practices' (Taylor, 2017). The review recommended that a new

¹⁸ The main types of employment status in the UK are employee, worker and self-employed. Unlike employees, 'workers' are not entitled to statutory sick pay, statutory redundancy pay, notice periods or protection against unfair dismissal. Several criteria are used to distinguish 'workers' from employees. For example, workers are likely to be working for the organisation on an irregular basis and the employer is not obliged to offer them work (nor is the worker obliged to accept it). In practice, however, distinguishing between self-employed persons and workers, and between workers and employees can be difficult.

'dependent contractor' category be introduced into employment law and that clearer criteria be established for distinguishing workers from those who are legitimately self-employed. The government is currently considering how to respond to the review's proposals.

3.7 Summary

National governments have begun to introduce new legislation to regulate the collaborative economy and tackle illegitimate activity and sources of unfair competition. Countries differ in the extent to which they have introduced legislation and most measures are relatively new. It appears that peer-to-peer transportation and the short-term accommodation sectors have attracted most attention. In these sectors, there have been efforts to strengthen rules relating to licences and authorisations. However, some countries, notably France and the UK, have recently taken steps to strengthen the powers of their tax authorities in relation to the collaborative economy, granting them the ability to request information from platforms so as to prevent undeclared work. This is a measure that could be adopted by other EU Member States.

4 Sectoral analysis of the differential impacts of the collaborative economy on undeclared work

Key questions addressed in this section include:

What factors might give rise to undeclared work in different sectors of the collaborative economy?

Key findings:

Contributing factors include uncertainty about the distinction between non-commercial and commercial activities.

The possibility of bogus self-employment exists in all sectors and has been a particular concern in the transport sector.

In the short-term accommodation rental sector, it appears that businesses have operated on platforms, posing as private individuals.

The fact that domestic services are provided in private homes can represent an obstacle to inspectorates, given difficulties in obtaining access.

Crowdworking can place downward pressure on terms and conditions.

In all sectors, there is scope for formal businesses to suffer from unfair competition from illegitimate providers engaged in undeclared work.

The collaborative economy raises general issues for authorities, such as the difficulty of determining who is working via platforms, how much they have earned and whether they are operating on a commercial or non-commercial basis.

There are also sector-specific problems that can arise.

4.1 Peer-to-peer passenger transportation

As with other collaborative economy activities, there can be difficulties in determining when a transport service that begins as a non-commercial, infrequent activity becomes a commercial activity akin to a taxi service. Where this happens, tax evasion and unfair competition can result. These problems do not arise if users only share the costs of transport (for example: Blablacar have a rule stating that drivers can ask passengers to share the cost of transport according to certain parameters).

The risk of bogus self-employment appears to be substantial in transport services, including delivery services. In France, bogus self-employment has been raised as a concern in relation to meal delivery platforms such as Foodora, Deliveroo or Tok tok tok. In the UK, there has been considerable concern with Uber, leading to a recent Employment Tribunal ruling that has reclassified ostensibly self-employed drivers as workers. In Spain, the labour and social security inspectorate sanctioned Uber Systems in 2015 for misclassification of its employees as self-employed, whereas Uber should have registered them with the social security and paid employers' social security contributions (Sierra-Benítez, 2015).

The German case study mentioned personal transport services as being a sector with a comparatively high incidence of undeclared work (Monopolkommission, 2016). In 2015 the financial control of (i.e. authority relating to) undeclared work carried out 366 inspections in the taxi trade around Dortmund¹⁹ and found 135 cases of work regulation violations. In 100 cases, officials suspected a breach of minimum wage regulations, in 12 cases indications were found that no social security payments were made, and in 23

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https://www.zoll.de/SharedDocs/Pressemitteilungen/DE/Schwarzarbeitsbekaempfung/2015/y93_taxigewerbe_do.html

cases employees did not register employment. However, there is no data available on undeclared work in the peer-to-peer passenger transport sector.

4.2 Short-term accommodation rental

In addition to potential uncertainty about the amounts earned through peer-to-peer rentals, there is a risk that businesses can operate through these portals while disguising themselves as private individuals. As mentioned in the Italian case study, the fact that private homes are involved creates additional complications as inspectors may be prohibited by national laws from entering homes, which means that inspections cannot be conducted.

The German case study reported that the extent of undeclared work in the short-term accommodation rental sector is not easy to assess as the distinction between for-profit rental and accommodations offered by private persons is not (yet) clearly defined (Peuckert et al., 2017: 26; Vogelpohl and Simons 2015: 18-20).

In Spain, there has been concern about VAT and income tax avoidance associated with short-term accommodation rentals managed by online platforms. The city councillor of the city centre district of Barcelona has estimated that approximately 90 percent of the flats that are rented to tourist in this district are illegal, noting that some of them are managed by peer to peer online platforms (Público, 10-04-2017). There have been cases of online platforms advertising dwellings that were not properly registered and had not obtained the required licence (La Vanguardia, 22-06-2016).

4.3 Domestic services

The scope for undeclared work in domestic services is relatively large. Most jobs are performed in private houses (which may not be accessible to authorities), work is typically of very short duration and might not be very regular, and both the household and the worker might be happy to make cash-in-hand transactions.

The Netherlands case study suggested that undeclared work is more likely to occur on intermediary platforms where services are being provided, such as Helpling (cleaning services) or Werkspot (odd jobs). There can be ambiguity concerning the extent to which self-employed workers operating through platforms should be considered as employees. If a platform only brings together suppliers and customers and leave the price and conditions up to those involved, they act as intermediary. But if the platform also publishes reviews and therefore influences the possibility of work for the self-employed, or select who can join the platform or remove some service providers, they play more of a role as an employer. In that case payroll taxes should be paid (Frenken et al., 2017). However, there appears to be no clear evidence on this topic.

Twelve percent of German households make use of personal and household services, but only one third of these households employ workers legally (Prognos 2012: 26, 28). Enste et al. (2009: 12) assume that only one person in twenty is employed legally in the personal and household services sector. It has been estimated that undeclared work in the domestic service sector amounts to between 3 and 4 million jobs (Interview).

4.4 Professional services crowdworking

Scope for bogus self-employment also exists in relation to crowdworking. Although, most crowdworkers are regarded as self-employed, they might become economically dependent upon platforms and the relationship may come to resemble an employment relationship.

This issue was discussed in the case study of Germany, where it was noted that the relationship between the crowdworker, the crowdsourcer, and the platform is often not clear (Waas, 2017: 143). Platforms can be seen as a legal representative of the crowdsourcer that concludes a contract with the individual crowdworker in the name of the crowdsourcer, or instead only as an intermediary that delivers the crowdsourcer's offer of a contract (Waas 2017: 144). In most cases platforms see themselves only as

a meeting place for participants of crowdwork and not as a brokerage service (Waas 2017: 144-145). Therefore, platforms regularly 'exclude the establishment of an employment contract (and the qualification of crowdworkers as employees) in their general terms and conditions' (Waas 2017: 146-147). However, 'If an assessment of the objective circumstances indicates that the parties have concluded an employment contract (notwithstanding a contrary designation), the courts will correct their erroneous classification of the contract type—in compliance with the principle of the so-called transgression of legal form (*Rechtsformverfehlung*)' (Waas 2017: 149). It is therefore possible that the crowdworker is retrospectively classified as an employee of the platform even if the platform states in its terms of references that no such a relationship exists. For the platform, this would mean an obligation to pay social security contributions subsequently for the duration of the employment relationship.

Crowdworking also has the potential to place downward pressure on terms and conditions. In Spain, for example, the Adtriboo platform, which is due to close, has been criticized for setting very low prices (La Celosía, 6-01-2015). Although this does not amount to undeclared work, it suggests bad practices which can lead to a deterioration in terms and conditions.

4.5 Summary

Some of the factors that might give rise to undeclared work in the collaborative economy are common to all sectors. They include the difficulty of determining who is working via platforms, how much they have earned via platforms and whether they are operating on a commercial basis. The possibility of bogus self-employment also exists in all sectors. However, there are other problems related to undeclared work that are specific to particular sectors. They include businesses posing as private individuals in short-term accommodation platforms, the low visibility of domestic work performed in private homes and the cross-border nature of some crowdworking activities.

5 Strategies to tackle undeclared work in the collaborative economy

Key questions addressed in this section include:

Which specific measures have been put in place by enforcement authorities to tackle undeclared work in the collaborative economy? Which bodies are involved?

Are there specific measures per sector/activity?

Has the impact of these measures been evaluated? What do we know about the impacts?

What are the obstacles to preventing undeclared work in the collaborative economy?

Key findings:

Tax authorities are taking steps to capture information from the internet relating to collaborative economy transactions.

The self-employed status of workers in the collaborative economy is being challenged in some countries, particularly in relation to the transport sector.

Many of the measures are relatively new. It appears that few evaluations have taken place. The effectiveness of the various measures is therefore uncertain.

Trade unions are playing an increasingly important role in supporting workers in the collaborative economy.

Policy makers, enforcement authorities and social partners have an important role to play in tackling undeclared work in the collaborative economy. The primary focus of activity has been in relation to tax compliance and enforcement. Some Member States have provided guidance on the application of national tax regimes to the collaborative economy and some have reformed their legislation (European Commission, 2016a). Tax authorities in some Member States have established agreements with platforms for the collection of taxes and the simplification of tax payment processes.

A good example of cooperation between tax authorities and platforms is provided by Estonia, where the tax declaration process has been simplified for drivers involved with ride-sharing platforms. Transactions between drivers and customers are registered by the platforms, which then send data that is relevant for taxation purposes to the authorities. The tax authority then pre-fills taxpayer tax forms. The aim is to enable taxpayers to meet their tax obligations with minimum effort (European Commission, 2016a).

A further example is provided by Belgium, which has introduced a 10 percent tax rate for service providers who operate through a digital platform and earn no more than €5,000 per year. The tax is withheld by the digital platform, which then pays it directly to the tax authorities. Service providers must register with the tax authority and ensure that all payments are made electronically through the platform so that they might be traced. If the income exceeds the €5,000 annual threshold, the entire amount is treated as income from a professional activity and thus taxed as business income (Eurofound, 2016).

The country case studies provide other examples of strategies adopted by enforcement bodies to tackle undeclared work in the collaborative economy. These can be categorised as either deterrence-oriented or compliance-oriented.

Deterrence measures 'increase the costs of non-compliance by firstly, increasing the sanctions for those caught, and/or secondly, raising the perceived or actual likelihood of detection' (Williams 2016: 6). Incentive measures, by contrast, encourage voluntary cooperation and compliance. The emphasis is on awareness-raising and persuasion

rather than punishment (Gunningham, 2010: 122). Incentive-oriented activities can take two basic forms: 'preventative measures', which might include simplifying regulations, providing advice and support or using tax incentives; and 'curative measures', which incentivise workers and businesses to cease engaging in undeclared activities (Williams, 2016: 7).

5.1 Deterrence measures

Tax issues

Germany's approach to tackling undeclared work has emphasised deterrence measures, including detecting and penalising commercial accommodation rentals. The Federal Central Tax Office (*Bundeszentralamt für Steuern*) uses software (Xpider) that can identify commercial activities on the internet that are not declared to the tax authority. This information is transmitted to the Länder tax authorities. However, the financial control of undeclared work (*Finanzkontrolle Schwarzarbeit*) does not use this software. This body conducts inspections if there are specific indications of illegal employment, e.g. on its own initiative after a citizen reports suspect persons or companies, or having received information provided by collaborating authorities.

The Italian tax authority is able to conduct checks on the accommodation sector as it is mandatory that contracts concluded through platforms be disclosed. This could be widely adopted by other EU Member States. Furthermore, regulations are due to be established by the Minister for the Economy and Finance, setting out the criteria or distinguishing when short term rentals take the form of a business activity, the number of units that can be rented and the maximum duration of rentals in a calendar year. This step, not yet executed, is seen as being fundamental in providing tax authorities with the instruments they need to tackle tax evasion and to carry out labour inspections which, as previously noted, cannot be executed in private houses. Again, this approach could be replicated by other Member States.

The Netherlands Tax Authority has drawn up rules for people participating in the collaborative economy. According to the Tax Authority, tax must be paid when the fee is higher than the expenses, and when the product or service is delivered frequently. The Tax Authority clarifies the activities that are taxable, on a special website, 'Internet economy and collaborative economy'²⁰ (Frenken et al., 2017). Taxes are regulated through various mechanisms. Airbnb automatically calculates tourist tax through the booking system while Helpling informs cleaners about their annual income to facilitate their tax return.

It is unclear to what extent the Tax Authority has information about stakeholders and providers on platforms. Concerns relating to providers' privacy have been raised. Nevertheless, one of the largest platforms for supply and demand of goods markets (Marktplaats) appears to be sharing its information.²¹ The Tax Authority relies on the assumption that the larger the scale of the platform, the more the platform will want to cooperate to share information.

The strategy of the Spanish Tax Agency

In Spain, Tax Agency guidelines issued in 2017 identified the digital economy and new business models as one of four areas of concern in relation to tax fraud (along with the shadow economy, individual wealth and multinational companies). The Tax Agency's strategy in this regard consists of the following measures:

(i) Information capture through the internet about risky operators. There are two objectives: firstly, to systematize the information so as to include it in databases of the Tax Authority and; secondly, to select, identify and check companies and persons that

²⁰ https://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/belastingdienst/privewerk_en_inkomen/interneteconomie/interneteconomie-deeleconomie/

²¹ <https://www.rtlnieuws.nl/economie/home/marketplace-deelt-informatie-met-fiscus>

operate mainly through e-commerce. Information is retrieved from the digital platforms so as to identify (a) the economic activity of the platform itself and their reporting in Spain and other countries, and (b) companies or participating persons so as to control their fiscal obligations. In the specific case of Paypal, the existing regulation obliges that information requests respect a 'proportionality principle', meaning that the Tax Agency can request information only related to a person or group of persons being investigated.

(ii) Analysis of information retrieved through social networks with statistical tools specifically developed to analyse and detect fraud patterns.

(iii) Analysis of information available on the Internet that suggests hidden activities or profits or illicit traffic in goods.

(iv) Collaboration with other countries' tax agencies to check profits declared by economic actors that use the Internet to publicise goods and services, since they may be based in other countries.

(v) Control of import operations linked to e-commerce.

(vi) Analysis of new payment tools, such as cryptocurrencies, payment platforms (e.g. Paypal), mobile phone apps, etc.

(vii) Control of manufacturers or service providers that market their goods or services through the internet so as to ensure appropriate tax declaration in Spain.

In Italy, the tax authorities have a key role in helping labour inspectors to discover the existence of undeclared work. Once a hidden company is detected (i.e. a 'proper' hotel using a platform), labour inspectors are entitled to carry out inspections of labour contracts and, therefore, tackle undeclared work. The mandatory disclosure of contracts concluded via online platform helps the tax authorities to tackle tax evasion and reveal hidden companies.

The power given to the French tax administration and URSSAF to use the *droit de communication non-nominative* in order to access lists of platform users is potentially a major step towards reducing undeclared work. It will enable the authorities to gather information about the income that users receive from platforms and assess the extent to which they are fulfilling their tax obligations.

Also in France, the 2016 Finance Act requires that platforms supply service providers with clear and transparent information about their earnings and tax obligations and (from 2018) establish a link between the platform and the tax authority website so as to inform individuals about the tax system that applies to them. Platforms must obtain certification from an independent third party (auditor) to prove that they are meeting their obligations. A penalty of €10,000 will be applied if certification is not obtained. This again is replicable in other Member States.

In 2017 a working group of French senators made proposals for improvements in the process of collecting tax from the collaborative economy. Their main proposals, which were summarised in a published infographic document²², were:

- Simplifying tax collection by asking platforms to transmit information about each users' annual revenue to the tax administration;
- Introducing a tax rebate of €3,000 for users when they register for tax; and
- Automatic registration of revenues by platforms, as in Estonia.

²² http://www.senat.fr/fileadmin/Fichiers/Images/redaction_multimedia/2017/2017-Infographie/20170405_ECONNOMIE_COLLABORATIVE_4_PAGES_0504.pdf

HMRC's access to bulk data

The UK tax authority, HMRC, has recently acquired the power to access bulk data from business intermediaries. This information can be cross-checked against other information stored in HMRC's systems, which can then lead to targeted inspections where individuals are found not to be registered for tax or not paying the right amount of tax.

In order to access data, HMRC sends a notice to the data holders (e.g. online platform). Before doing so, HMRC works with the dataholder to check whether it already has the data that HMRC needs, that they understand their obligations and that HMRC's requests are not unduly onerous. At the end of this process, a request for information is made. HMRC can only request data that the platforms collect for their own purposes and cannot direct platforms to collect additional data. Such an approach could be pursued by many other Member States.

Labour issues

The risk of bogus self-employment and non-payment of social insurance contributions are the most prominent labour issue in the collaborative economy. Although many EU Member States have sought to tackle bogus self-employment through various means, including targeting particular sectors of the economy (Heyes and Hastings, 2017), the evidence from the country case studies suggests that actions in relation to the collaborative economy have been limited to date. Where the classification of collaborative economy workers as self-employed has been challenged, it has tended to be trade unions that have initiated action rather than enforcement bodies (see below).

There are, however, examples of public authorities taking steps to investigate bogus self-employment in the collaborative economy and address abuses. HMRC (UK) has created an Employment Status and Intermediaries Team (see good practice fiche) with a remit to investigate companies that have declared a high number of self-employed workers and expose cases of bogus self-employment. The unit was created in response to concerns relating to the extensive use of ostensibly self-employed workers, including in the collaborative economy, and the possibility that companies will classify workers as self-employed in order to avoid social insurance and employment rights obligations.

In France, URSSAF is taking action against Uber, attempting to demonstrate that there is a subordinate relationship between the platform and its drivers. The aim of URSSAF is to have the status of the drivers changed from self-employed to employed, in which case Uber will be required to pay social contributions. The action is ongoing. In addition, in 2016 the National Control Group, which is responsible for ensuring enterprises respect the labour code, decided to give greater attention to collaborative platforms.

In the Netherlands, the Inspectorate SZW, which enforces labour legislation, minimum wages and working hours, has dealt with a small number of cases connected to the collaborative economy, but does not have a full-blown strategy. The Inspectorate's proactive inspection activities are determined using risk-assessments and the Inspectorate currently anticipates no major risks in the collaborative economy²³.

Tackling labour abuses in the domestic services and short-term accommodation rental sectors is particularly problematic as they involve work performed within the home. As the work is performed in a domestic environment it has very low visibility. Moreover, national legislation typically guarantees the inviolability of the home, which means that labour inspectors face difficulties in gaining access (although they may be able to do so with a warrant).

²³ Interview with Inspectorate SZW.

5.2 Incentive measures

Advice and guidance

The case study countries provided a number of examples of measures related to prevention through advice and guidance.

- In Spain, the Tax Agency has focused its attention on the accommodation sector. It informs all persons identified as having operated through accommodation platforms (Airbnb) that they need to declare the income received. The persons identified through the digital platforms receive a communication from the Tax Agency stating that the Agency has noticed that the person has been actively renting out his/her property. The person is therefore advised to declare the income received from flat rentals and informed that failure to do so may lead to an inspection which, in the event that tax evasion is uncovered, could result in a fine. The Tax Agency has reported that in 2016, 21,500 house owners were contacted about the need to report the income obtained through collaborative platforms. Such 'notification letters' could be employed in many other Member States. Moreover, measures are being considered that would require collaborative platforms to collect specific information about the house owners and their incomes received through the platform and provide this information to the Tax Agency. Again, this is transferable to other Member States.
- In the UK, HMRC provides online tax guidance and tutorials as part of its 'promote, prevent, respond' approach to ensuring tax compliance. HMRC has committed to producing targeted bespoke guidance for the collaborative economy, which will be published on the government's GOV.UK website. The webpage will supply links to guidance on aspects of the tax system that are relevant to those operating in the collaborative economy. HMRC also intends to discuss with sharing economy platforms the possibility of developing interactive tools, such as an online calculator and mobile app that would assist service providers in the collaborative economy in working out how much income they would need to report to HMRC. HMRC intends to use social media to advertise the guidance and tools.

Simplification of processes

In Germany, the authority responsible for mini-jobs (Minijobzentrale) has set up its own household service job board (*Haushaltsjobbörse*)²⁴ for domestic services. It has also simplified the registration process for private households when employing mini-jobbers. Coupled with lower social security and tax rates, the measure is intended to reduce bureaucratic and financial costs and therefore reduce incentives to engage in undeclared work.

In France, a group of students from ENSSS²⁵, which trains future agents of URSSAF, is developing a proposal for a new service that would enable platforms or platform users to pay social security contributions online. A similar digital process is already in place for employers. The students are due to submit their proposals to the national directorate of social security by the end of 2017.

The UK has introduced a new rule which enables individuals who earn less than £1,000 gross per annum from occasional work and property lets to retain the income without declaring it for tax purposes. This has simplified tax rules for individuals who earn very small amount of income from the collaborative economy.

5.3 Information exchange

The case study countries provided examples of a variety of information sharing activities aimed at enhancing understanding of the collaborative economy. Some of these have

²⁴ https://www.haushaltsjob-boerse.de/DE/Home/home_node.html

²⁵ Ecole nationale supérieure de la sécurité sociale – national graduate school of social Security

involved information exchanges by enforcement bodies while others have involved meetings between enforcement bodies and platform organisations.

In Spain, a meeting between the Tax Agency and Uber was held in July 2017, to jointly analyse what information can be used to detect and combat problems relating to undeclared income. The meeting was one of a number of meetings that are due to be held with different e-commerce platforms. The objective of these meetings is to allow the authorities to learn more about the way these platforms operate in order to enable them to detect potential fiscal fraud more easily²⁶. In addition, the Tax Agency and LSSI have regular information exchanges, shared training, permanent coordination channels and joint actions focusing on undeclared work and bogus self-employment.

In France, the URSSAF Ile de France (Office of Paris) decided to implement a working group²⁷ in 2016 to study the collaborative economy and organise coordinated action plans for controlling platforms business. The working group includes members from various divisions of URSSAF in Paris and is open to other administrations, such as the regional representative of the Ministry of Labour. The group also includes members of the national Investigation Unit on the Internet, launched in 2008 by ACOSS (the central organisation of URSSAF) with the aim of making better use of the internet in their investigations. Over recent years the work of this national investigation unit has become more concentrated on collaborative economy.

Also in France, a working group composed of senators recently (March 2017) issued proposals for improvements in the process of tax collection from the collaborative economy²⁸.

In the Netherlands, the Tax Authority recently met with platform providers. The topics that were discussed included:

- Providing information on tax obligations by online platform providers;
- Providing data from providers offering services through the platform;
- Request for information on the Tax Authorities website to clarify fiscal obligations; and
- Clarity regarding the application of fiscal rules.

5.4 Social partner involvement

Involvement in policy discussions

The social partners in Italy and Germany have been involved in policy discussions related to the collaborative economy.

In Germany, the social partners and other stakeholders with an interest in digitisation of the labour market participated in the *Arbeiten 4.0 Dialogprozess* (Work 4.0 dialogue process), which was initiated by the Federal Ministry for Labour and Social Affairs (BMAS) in April 2015 and concluded in November 2016. The aim of the dialogue was to encourage cooperation between stakeholders from business and industry, unions, civil society, research, and political authorities to identify challenges in the future labour market. Among the issues discussed was the possibility of a reform of the social security system in order to improve social security coverage - and in particular pension coverage - for the self-employed. Participants discussed, among other things, the option of extending obligatory coverage in the statutory pension system to the self-employed.

²⁶ Interview with the Oficina Nacional de Investigación del Fraude (ONIF).

²⁷ The initiative is proposed as a good practice for France

²⁸ http://www.senat.fr/fileadmin/Fichiers/Images/redaction_multimedia/2017/2017-Infographie/20170405_ECONNOMIE_COLLABORATIVE_4_PAGES_0504.pdf

The Italian social partners have also been involved in policy discussions related to the collaborative economy and the impact on undeclared work. For example, Federalberghi submitted evidence during the Parliamentary discussions concerning the accommodation law ('AirBnB Tax'). The organisation wished the government to set precise criteria for establishing whether a provider of short term rentals through a platform should be regarded as an entrepreneur. The recent Law will lead to additional regulations that will establish these criteria.

In March 2015 a new UK trade body, Sharing Economy UK (SEUK), was created to represent organisations in the collaborative economy. The 20 founder members have agreed to adhere to a code of conduct. SEUK also intends to develop a kitemark for platforms that share the values expressed in the code of conduct. Similar developments have been reported in other EU Member States, such as Poland (Vaughan and Devario, 2016: 15).

Trade union support for workers

In all six case study countries, trade unions have taken steps to support workers in the collaborative economy, for example:

- German unions are engaged in the crowdworking sector. The service workers' union ver.di represents the interests of self-employed persons and IG Metall has accepted self-employed workers since January 1, 2016, with a focus on crowd- and platform-based workers.
- In France, the UNSA²⁹ trade union launched a section for Uber drivers in 2015 while the CFTC dedicated its 2015 congress to the digital economy. The CFDT³⁰ and the CGT want to enlarge their recruitment to all workers, included those without employee status.
- The Netherlands Trade Union Confederation (FNV) has launched an examination of the collaborative economy and is in the process of formulating its strategy on the subject³¹. In the coming years, the FNV will explore some issues further and take action on others. These include coordinating calls to organise platforms; exploring cross-border cooperation; lobbying to improve working relationship for platform workers; researching which legislation is impeding good rates for platform workers; and establishing services for platform workers.³²

There have been a number of notable cases of trade unions actively supporting workers in the collaborative economy.

- In Italy, for example, a protest was organized by the taxi drivers' associations, which defends the interest of self-employed workers with legal licences. They also initiated litigation against Uber services, which led the Court to ban Uber Pop. In a subsequent decision, the Court of Rome declared that Uber Black was legal in Italy.
- In Italy in October 2016, the first ever strike was declared by Foodora workers (who work under a self-employment contract) in order to demand a subordinate part-time contract, higher wages and to be paid for each hour of work (rather than for each delivery)³³. As a result, Foodora agreed to increase the pay for each delivery (from €3 gross to €4 gross) and promised a bicycle maintenance

²⁹ UNSA (Union nationale des Syndicats Autonomes)

³⁰ See https://www.cfdt.fr/portail/actualites/economie/-/developpement-durable/travailleurs-des-plateformes-collaboratives-des-droits-aconstruire-srv1_388468

³¹ Not yet in the public domain.

³² Not yet in the public domain.

³³ <https://www.wired.it/economia/lavoro/2016/10/11/sciopero-contro-foodora-sogno-infranto-sharing-economy/>; <http://www.lastampa.it/2016/10/15/cronaca/foodora-lo-sciopero-si-allarga-da-torino-a-milano-C6HjyJUDSYO3HwQtZNUVpaP/pagina.html>; http://www.corriere.it/cronache/16_ottobre_09/sciopero-ragazzi-foodora-torino-4f86871a-8d90-11e6-9a19-d25a64455d65.shtml.

agreement with associated bicycle workshops. However, the company did not modify the contractual relationship³⁴.

- A similar protest (against rigid schedules) was held in May 2017 by workers of Foodora's main competitor, Deliveroo³⁵. It is possible that these disputes will lead to more concerted opposition to the use of (potentially bogus) self-employment contracts.
- In Barcelona, Deliveroo riders have organised themselves through a workers' platform integrated into the regional trade union 'Alternative Inter-union of Catalonia' (Intersindical Alternativa de Catalunya). Deliveroo workers' demands have been taken up by the trade union CGT, which called for a Deliveroo riders' strike that took place on 2nd July 2017. The union has demanded a 'decent salary' and working time contracts providing a guarantee of at least 20 weekly hours to all riders who want one.
- In the UK, the GMB trade union took a case to an Employment Tribunal on behalf of Uber drivers. The Employment Tribunal ruled that Uber drivers should be treated as 'workers' rather than as self-employed persons. This ruling led to Uber drivers being granted employment rights that they had previously been denied.

5.5 Potential obstacles to tackling undeclared work and how to overcome them.

Finally, the country case studies mentioned a number of obstacles to tackling undeclared work, namely:

- A lack of clear rules relating to the collaborative economy (e.g. the distinction between commercial and non-commercial activities) can present a substantial problem.
- Tackling potential undeclared work in the accommodation sector is made more difficult by restrictions on the ability of inspectors to enter private homes. For example, in Germany the inviolability of the home is protected by article 13 of the German constitution and household members can refuse representatives of public authorities access to their home if they cannot produce a warrant (Bundestag 2014: 18). This is the main obstacle for authorities to monitor (potentially undeclared) activities in the short-term accommodation rental sector. Other means of detecting undeclared work in the collaborative economy beyond inspections are therefore required.
- Lack of clarity concerning the status of workers linked to platforms (e.g. Uber drivers or persons working for Deliveroo) is an obstacle. Regulations may be insufficient to enable a clear determination of whether service providers are employees or self-employed.
- In Spain regulations relating to tourist dwellings differ among the Autonomous Communities and municipalities, which creates difficulties for the platforms. For example, there are variations in the maximum number of days for which a dwelling can be rented (31 days in Catalonia, 2 months in Andalusia, etc.) (De la Encarnación, 2016). This shows the need for more coordinated action.
- Disparities in the competences of enforcement authorities are a potential problem. For example, labour inspectors in France do not have the power to obtain lists of service provider, unlike the tax authority.

³⁴ <http://www.lastampa.it/2016/10/14/cronaca/foodora-aumenta-gli-stipendi-ma-rimane-il-cottimo-riparte-la-protesta-dei-rider-oLwJePrYczjmwrdfTypS6H/pagina.html>

³⁵ <http://www.lastampa.it/2017/05/02/cronaca/dopo-foodora-scioperano-anche-i-rider-di-deliveroo-nuova-polemica-della-gig-economy-AyYjJcAEygXJLRZCYGx7tJ/pagina.html>

- The rapid speed of technological advancement and growth in platforms makes it difficult for enforcement bodies and national governments to keep abreast of new possibilities for undeclared work in the collaborative economy.
- The limited capacity of enforcement bodies is potentially a major obstacle. As much of the work done in the collaborative economy is likely to attract relatively small amounts of income, enforcement bodies may find it difficult to devote resources to investigating a long-tail of relatively low-level activity and small amounts of (potentially) untaxed income, given the other demands that are placed upon them. However, this is not a consideration in all countries (e.g. it does not strongly influence risk-based inspection activities in Germany).

5.6 Summary

Member States/enforcement bodies are tackling undeclared work in the collaborative economy through a mix of deterrence and incentive measures. Tax authorities are taking steps to capture information from the internet relating to collaborative economy transactions. The tax authorities in France and the UK have been given the power to request that platforms provide them with relevant information while accommodation platforms in Italy are required to disclose information about all contracts. Steps have also been taken to provide participants in the collaborative economy with information about their obligations and to simplify processes. Trade unions have been active in raising concerns relating to the employment status of workers in the collaborative economy, notably in the transport sector.

Enforcement bodies face a number of potential obstacles in tackling undeclared work in the collaborative economy. Lack of information about platform users is perhaps the most important barrier and France, the UK and Italy provide examples of how this problem might be addressed. Information supplied by platforms might enable better targeted and more cost-effective inspection activities by tax authorities and labour inspectorates, particularly where these bodies are able to share information and coordinate their actions. A further important step is to ensure that the difference between commercial and non-commercial platform activities is clearly defined and that the difference between the two, and the implications for tax and social insurance, are effectively communicated to platform users. Enforcement bodies and platforms both have important roles to play in this regard.

It is likely that a combination of deterrence and incentive measures will be most effective in tackling undeclared work in the collaborative economy and it is therefore important that Member States should not rely on a single approach. However, more needs to be discovered about the effectiveness of different measures, both separately and in combination with others.

6 Approaches to preventing the proliferation of undeclared work in different sectors

Key questions addressed in this section include:

What steps have been taken to regulate different sectors of the collaborative economy?

What measures have been adopted to prevent the proliferation of undeclared work?

Key findings

Concerns relating to unfair competition and bogus self-employment have led to punitive action being taken against transport platforms, notably Uber.

In the accommodation sector, countries have taken steps to limit the duration of rentals and require that those wishing to let a property obtain official authorisation.

Some authorities have developed a relationship with Airbnb in which the platform takes on some administrative/regulatory functions such as ensuring that limits on the duration of lets are respected.

Trade unions are becoming increasingly involved in the crowdworking sector.

Section 5 described various measures that have been adopted to strengthen regulations in the collaborative economy in different countries. While these measures relate to the collaborative economy as a whole, this section explores other measures which have been adopted to target specific sectors within it.

6.1 Peer-to-peer passenger transportation

Two related concerns have dominated in relation to the transport sector: unfair competition and the risk of bogus self-employment. These concerns have encouraged national authorities to introduce greater regulation and, in some cases, take punitive action against platforms such as Uber. For example:

- The Netherlands banned UberPop because it did not meet quality requirements and drivers did not have proper licenses.
- Similarly, Germany banned UberPop in 2016 because it did not meet regulations. In Germany, paid or business-like personal transport services are subject to official authorisation (Monopolkommission 2016: 386-387), drivers must pass a test that proves that they are familiar with the area if they work in cities with at least 50,000 inhabitants and reveal their criminal record before they are allowed to work in the sector.
- In Italy, the Court of Turin declared that UberPop was engaged in unfair competition and banned the service. The court also prohibited all unauthorised service activities directed at transporting third parties for a fee on request of the passenger. The Court of Rome has, however, declared the lawfulness of Uber Black, a rental service using professional drivers.
- In France, the 2014 Thevenoud Act established that 'companies organising transport between clients and non-professional drivers (service providers), without having a licence to transport can be sanctioned by two years of jail and fined €300,000. The law effectively prohibited UberPop from operating.

Regulating vehicles with a private driver (Spain)

In 2015 the Spanish government approved a Royal Decree (RD 1057/2015) that modified regulations relating to road transport with a view to establishing new restrictions on VTC vehicles (vehicles with a private driver that can operate as a company, which includes peer-to-peer transportation). Uber has been forced to change its business model and has announced that it will only work with professional drivers holding VTC licenses. Since March 2016 it has operated in Madrid within this legal framework.

The measure regulates the ratio between taxis and VTCs. Currently the ratio is one VTC with administrative authorization to 30 taxis. This is the maximum ratio for all the regions, but the total number of licenses is regulated by the regional governments.

The Decree also established the following conditions relating to VTCs:

- (i) It prohibits VTC vehicles from circulating and searching for clients who have not booked a vehicle through telematics;
- (ii) It clarifies that VTC tariffs will continue to be unregulated, but requires that companies publicly announce their prices;
- (iii) It forbids VTC vehicles from displaying external markings that might lead the public to confuse VTC and taxis; and
- (iv) It restricts the 'usual use of the vehicle' to the territory where the VTC has been authorised. According to the law, this principle will be understood to have been violated should more 20 percent of activity within a three-month period take place outside the territory where the VTC was authorised.

A meeting between the Spanish Tax Agency and Uber took place in 2017 to jointly analyse what information can be used to detect and combat underpayment of VAT and income tax.

6.2 Short-term accommodation rental

A number of countries have taken steps to regulate short-term accommodation advertised through platforms. The primary purpose appears to be to address shortages of living space that are exacerbated through shorter-term rentals to tourists (Peuckert et al., 2017: 27). However, the measures may also help address undeclared work.

The most common steps have been to require official authorisation for lets and the introduction of limits on the length of time for which flats can be let. For example:

- In Berlin³⁶, accommodation rental has been subject to official authorisation for purposes other than residential purposes since May 2014. Amongst other cases, authorisation must be obtained if living space is rented repeatedly, for a remuneration, or for commercial purposes (e.g. short-term accommodation rental to tourists).
- In the Netherlands, the municipality of Amsterdam has developed a regulation that allows home owners to rent their property for a maximum of 60 days a year.
- Regulations relating to the duration of lets are due to be implemented in Italy.
- In 2012 the regional government of Catalonia (Spain) introduced regulations for tourist accommodation rentals (Decree 159/2012, of 20th of November). The regulation relates to dwellings that have been rented out to a third party, directly or indirectly, in exchange for a fee, for a period of up to 31 days, on two or more occasions in a given year. Rental providers must be registered with Catalonia's tourism register. Town councils are in charge of enforcing the regulation and can also manage and limit the areas of the municipality where rentals are permitted. Since Catalonia introduced its regulations, the other Autonomous Communities of Spain have introduced similar measures.

Within the framework of the Catalan regulations, the town council of Barcelona has undertaken annual campaigns to monitor and inspect dwellings of tourism use. In 2015, the town council carried out 2,146 inspections and imposed 482 sanctions (Barcelona Town Council, 2016). The platforms AIRBNB and HOMEWAY have been fined €30,000 sanction for circumventing regulations on dwellings for tourism use (Barcelona Town Council, 2017). The town council has also created a contact point (telephone and

³⁶ <https://service.berlin.de/dienstleistung/326217/>

website) to allow neighbours to complain about irregular, unlicensed rentals. The number of complaints recorded in 2015 was 39, increasing to 2,784 in 2016. (Barcelona Town Council, 2017).

Authorities have also taken steps to develop a working relationship with accommodation platforms, in particular Airbnb, including:

- Responsibility for enforcing the time limit on rentals in Amsterdam regulation lies partly with Airbnb. The city of Amsterdam signed an agreement with Airbnb which explicitly permits renting of accommodation via the platform, in return for which Airbnb is required to collect applicable tourist taxes.
- In Germany, Airbnb cooperates with tax authorities in some municipalities to prevent tax fraud (Vogelpohl and Simons 2015: 19), which might help the authorities to tackle and discourage undeclared work.
- Italy's Decree-Law No. 50/2017, converted into Law No. 96/2017, requires real estate brokers (including online portals) to hold 21 percent of landlords' income for short rentals (defined as being no more than 30 days) as tax deducted at source. The aim of this rule, unofficially nicknamed the 'AirBnB tax', is to reduce tax evasion and thereby tackle a source of unfair advantage that private rentals have had over traditional accommodation providers (e.g. hotels). Real estate brokers (including those represented by portals such as AirBnB) are also required to submit information about rental contracts to the Tax Agency. This information can enable the Tax Agency to identify underground companies, which might in turn enable labour inspectors to tackle undeclared work. The Tax Agency has issued a provision to implement the new Law (No. 132395/2017).

In Spain, the Tax Agency is attempting to prevent undeclared work by capturing through the internet information on risky companies (including online rental platforms) with a view to systematize the information in a database of the Tax Authority and maintain checks on companies. Moreover, the agency has information on all persons who have been actively renting out a flat. Sharing this information with the town councils might enable better enforcement by enabling the cross-checking of data contained in the Tax Authority database and the tourism registers of the Autonomous Communities.

6.3 Domestic services

Other than the general strategies that have been adopted for detecting undeclared work in the collaborative economy, it appears that relatively few measures have been put in place to regulate domestic services.

Some domestic services are 'hobbies', such as cooking, which have the potential to grow into commercial activities but which might also remain infrequent, small-scale, sharing activities. For example, ShareYourMeal is a non-profit food sharing platform founded in 2011 in the Netherlands. The platform enables home chefs to share their cooking with people in their local neighbourhood and the authorities have not attempted to regulate activities. Measures such as the UK's tax exemption for gross earnings under £1,000 are also intended to support small-scale provision of goods and services through collaborative platforms.

Dialogue with Airdnd (Netherlands)

Airdnd (Air Drink 'n Dine) is a digital platform that connects people who want a living room restaurant to hobby chefs. A living room restaurant and a hobby chef are defined by frequency (a maximum of one living room restaurant opening time per week) and sales (a maximum of €7,000 per annum). A hobby chef who exceeds these limits is dropped by the platform.

A dialogue has been set up in which government, the platform and stakeholders together seek solutions on how to deal with public interest issues in relation to Airdnd. In June

2016 Airdnd was at the heart of the first Right to Challenge dialogue workshop, initiated by the Ministry of Economic Affairs. Airdnd founders engaged in talks with stakeholders including the Tax Authority, Trade association for Hospitality services (KHN), Dutch Food Safety Authority (NVWA), Ministries of Economic Affairs, Security and Justice and Home Affairs and municipalities. The parties discussed, among other things, the boundary between a business and a hobby and the sharing of data about users, which Airdnd does not want to provide for privacy reasons, but which municipalities would like for enforcement-related reasons. Airdnd is open to giving municipalities access to anonymous usage data if there are clear rules. The condition is that the users' privacy (individual name and address) is protected. One possible solution to this situation would be to establish an independent third party that would check whether users of a platform operate according to the agreed rules.

Airdnd would also like greater clarity on issues such as how much money a hobby chef can earn and often a restaurant can be opened before the hobby is treated as a commercial activity and taxed. The Tax Authority has recently drawn up a number of rules for people participating in the collaborative economy. According to the Tax Authority, tax should be paid when the fee is higher than the expenses and when the product or service is delivered regularly.

Other domestic services might be provided on a regular basis by self-employed workers. Where authorities have the power to collect information from platforms there would appear to be strong possibilities for keeping track of earnings, particularly if all transactions are made electronically.

Potentially domestic services such as household cleaning can result in the formation of employment relationships between private households and workers. In Germany, private households can choose between offering full-time or part-time jobs subject to social security contributions, *midi-Jobs*³⁷, or *mini-jobs*³⁸. Undeclared work is common in the German domestic cleaning services sector. The German authorities have encouraged households to employ domestic workers on a 'declared' basis by simplifying the registration process for domestic workers employed as 'mini-jobbers' and allowing for domestic services to be income-tax deductible if payments are made through an online-platform (the bill must list the service provider, the customer, the date when the service was provided, the kind of service and the remuneration). A household services jobs board has also been established to support the measures. The German case study emphasised, however, that it is possible that only a proportion of income will be declared. Furthermore, workers who earn more than €450 from a mini-job must pay higher social security contributions and taxes, which potentially discourages them from registering as mini-job workers.

Minijob-Zentrale (Germany)

The household service job board (*Haushaltsjobbörse*)³⁹ was established in November 2014 and funded by the Federal Ministry of Labour and Social Affairs. It was originally intended to promote household services (e.g. childcare, cleaning) as a means of increasing the labour market participation of women and responding to increasing demand for care for elderly persons. It has an intermediary role and self-employed persons are not allowed to register with it. The board received between 8,000 and 10,000 new registrations per year and by October 2017 48,000 people had registered. Although the household service job board allows for employment relationships subject to social security contributions, most service providing situations managed by the board are subject to mini-job regulations.

³⁷ *Midi-Jobs* are registered jobs with monthly wages between €451 and €850 and reduced social insurance contributions.

³⁸ *Mini-Jobs* are jobs with monthly incomes up to €450. These can be regular or occasional jobs or jobs in addition to regular employment; also, employers pay a low lump sum to social insurance.

³⁹ https://www.haushaltsjob-boerse.de/DE/Home/home_node.html

Although most domestic workers prefer other employment forms (including undeclared work) over mini-jobs, the household service board has encouraged a further increase in the number of mini-jobbers employed by private households. This number has risen from 28,000 in 2003 to 300,000 by 2017 (Minijob-Zentrale 2017: 8).

At the present time, private employing households and their (mini-job) employees have to sign the registration documents by hand. The *Minijob-Zentrale* plans to simplify the mini-job registration process, making it possible for private households to complete the entire registration process for their mini-job employees online. Minijob-Zentrale is also in contact with commercial private household service platforms (e.g. *betreut.de*) and will support them in embedding the online registration form in their websites. This might also help private household service platforms to assess how many of their service providers are registered with Minijob-Zentrale, enabling them to respond to criticism that commercial household service platforms do not effectively ensure that providers are not bogus self-employed. The private household service platforms plan to share their findings on registered employment with the Minijob-Zentrale.

6.4 Professional services crowdworking

The crowdworking sector appears to have received less attention from regulators than the other three sectors covered in the report. In the case of Italy, it was mentioned that the sector remains extremely small, which probably accounts for the lack of attention that it has received.

Crowdworking is a sector in which the social partners have begun to develop a role, notably in Germany where social partners provide guidance. The trade union IG Metall is very active in the crowdwork sector. In addition to helping to create a 'Fair Crowd Work Platform', the union provides advice for (German and Swedish) crowdworkers via a telephone hotline, including information about workers' rights.⁴⁰

In December 2016, IG Metall participated in the Frankfurt Declaration on Platform-Based Work⁴¹, a call for 'for transnational cooperation between workers, worker organizations, platform clients, platform operators, and regulators to ensure fair working conditions and worker participation in governance in the growing world of digital labour platforms such as Clickworker, Amazon Mechanical Turk, Jovoto, and Uber'⁴².

Also in 2016, IG Metall organised meetings with eight German crowdworking and freelancer marketplaces. This allowed IG Metall to survey workers on these crowdworking and freelancer marketplaces to collect information on age, working time, income, working conditions, and the need for operational co-determination. Since 2016, IG Metall has organised five workshops in which managers of German crowdworking and freelancer marketplaces met with 10 to 20 of their workers and discussed working conditions. According to the managers of the crowdworking and freelancer marketplaces these meetings were very fruitful as they do not usually have contact with platform users. Together with these platforms IG Metall is also working on a new version of the code of conduct for crowdworking⁴³ that will also consider the implementation of an Ombudsman office.

Fair Crowd Work Platform (Germany)

In 2015 IG Metall (German Metalworkers' Union) and the Austrian Chamber of Labour established a Fair Crowd Work platform⁴⁴. The Fair Crowd Work platform enables crowdworkers to rate working conditions (pay, tasks, communication, evaluation, and technology) on different crowdworking platforms. Survey respondents are contacted via the platform that is being reviewed, which thereby ensures that a respondent actually

⁴⁰ <http://faircrowd.work/what-is-crowd-work/>

⁴¹ <http://faircrowd.work/unions-for-crowdworkers/frankfurt-declaration/>

⁴² <http://faircrowd.work/unions-for-crowdworkers/frankfurt-declaration/>

⁴³ Current code of conduct: see <http://crowdsourcing-code.com/>

⁴⁴ <http://faircrowd.work>

worked for the platform. Crowdworkers are asked concrete questions about their experiences (for an overview of the questions, see Silberman and Harmon 2017: 9-19). The Fair Crowd Work Platform also enables crowdworkers to inform themselves about the terms and conditions (*Allgemeine Geschäftsbedingungen*) of different crowdworking and freelancer marketplaces and to obtain general information about the sector.

In the UK, the Community Union has worked with the Wales-based, co-working co-operative IndyCube (New Statesman, 2017). IndyCube provides desk-space to freelance workers in 35 locations in Wales. Community and IndyCube have recently collaborated to develop a union membership model for self-employed workers which involves desk-space, trade union services and an invoice paying service. An invoicing company will work on behalf of the self-employed workers to ensure that clients pay on time. Community will provide legal advice and representation for small claims courts. Community has bought shares in IndyCube, with the aim of establishing more than 10,000 new IndyCube spaces in the UK. The hope is that all IndyCube users will become members of Community.

6.5 Summary

A number of measures have been taken to tackle undeclared work in different sectors of the collaborative economy. Concerns relating to unfair competition and bogus self-employment have led to punitive action being taken against transport platforms, notably Uber. In the accommodation sector, countries have taken steps to limit the duration of rentals and require that those wishing to let a property obtain official authorisation. Some authorities have developed a relationship with Airbnb in which the platform takes on some administrative/regulatory functions, such as collecting tourism taxes (as in France) and ensuring that limits on the duration of lets are respected.

7 Cross-border practices

Key questions addressed in this section include:

Have any cross-border measures been adopted in relation to the collaborative economy and undeclared work? If so, what do they consist of? What has been their impact?

Key findings

Very little cross-border regulatory activity is occurring. Some tax authorities are seeking to work with their counterparts in the other EU Member States, but it is not clear that these activities are regular or well institutionalised as yet.

Crowdworking is the sector in which cross-border concerns are most likely to arise.

EU Member States are only permitted to impose regulatory requirements on collaborative platforms providing services across borders from another Member State if there are clear threats to public policy, protection of public health, public security, and the protection of consumers. Even then, national measures must be proportionate and certain procedures (such as notifying the Commission) must be followed (European Commission, 2016a).

Crowdworking is the sector with greatest potential for cross-border work activity. Crowdworking platforms facilitate the meeting and matching of job offers and workers located in different countries or even on different continents, a circumstance that can lead to downward competition among workers due to the different working and salary conditions.

The country studies found very few examples of cross-border practices related to undeclared work in the collaborative economy.

Two case studies (Spain and UK) mentioned that enforcement authorities work with their counterparts in other EU countries, particularly in relation to tax. The UK has recently adopted a law that enables HMRC to request information from platforms. Where those platforms are located in a country other than the UK, HMRC will nevertheless send the platform a notice and then work with counterparts in that country where treaties exist and the tax authority has similar data gathering powers to HMRC. However, this appears to be at a very early stage of development.

National authorities participate in EU working groups that have implications for undeclared work⁴⁵. For example, in Spain the LISS and the Tax Agency participate in EU cross-country Working Groups set up to coordinate action against undeclared work in general. The LISS also has bilateral relationships with some countries, which involves efforts to coordinate actions on undeclared work. However, the LISS is not yet involved in any specific cross-country measure in relation to the collaborative economy. For its part, the Tax Agency participates in EU and OECD Working Groups on e-commerce. It also collaborates with other countries' tax agencies to check profits declared by economic actors that use the Internet to publicise goods and services.

Trade unions are beginning to develop cross-border initiatives in relation to the collaborative economy. Notably, in 2016 union organisations from Austria, Denmark and Germany helped to launch the Frankfurt Declaration on Platform-Based Work⁴⁶, a call for 'transnational cooperation between workers, worker organizations, platform clients, platform operators, and regulators to ensure fair working conditions and worker

⁴⁵ They also participate in the Internal Market Information (IMI) system, which enables information sharing in various areas that are of importance to the functioning of the single market, including professional qualifications and posting of workers. However, IMI is not tailored to the collaborative economy.

⁴⁶ <http://faircrowd.work/unions-for-crowdworkers/frankfurt-declaration/>

participation in governance in the growing world of digital labour platforms such as Clickworker, Amazon Mechanical Turk, Jovoto, and Uber⁴⁷.

Summary

The evidence from the country case studies suggests that relatively little cross-border regulatory activity is occurring in relation to the collaborative economy. Some tax authorities are seeking to work with their counterparts in the other EU Member States, but it is not clear that these activities are regular or well institutionalised as yet.

⁴⁷ <http://faircrowd.work/unions-for-crowdworkers/frankfurt-declaration/>

8 Tackling undeclared work in the collaborative economy: Perspectives of the European Social Partners and stakeholders ⁴⁸

Key questions addressed in this section include:

What, according to social partners, are the benefits of the collaborative economy for tackling undeclared work?

What, according to social partners, are the challenges of the collaborative economy for tackling undeclared work?

What measures, if any, would social partners like to see implemented at national level?

What measures, if any, would social partners like to see implemented by the EU?

Key findings:

Diverging views were expressed regarding the benefits and challenges of the collaborative economy.

Some social partners stated that the collaborative economy offers greater transparency and accountability, which can help efforts to tackle undeclared work. Other social partners emphasised that the collaborative economy is fuelling the growth of insecure, unprotected and often hidden work.

There was agreement amongst social partners regarding the role EU Member States can play in creating a level playing field between the collaborative economy and traditional service providers. This could involve enforcing compliance with existing legislation to ensure the protection of employment and social rights.

Views regarding measures at EU level were divided. Some social partners called for caution in respect to the implementation of EU-wide legislation and regulations. Other social partners highlighted the vital role the EU could play in co-ordinating regulation and compliance across Member States.

8.1 The Benefits of the Collaborative Economy for tackling undeclared work.

The social partners conveyed a variety of opinions regarding the benefits of the collaborative economy. Documentary evidence from Business Europe (BE), for example, highlighted the role of the collaborative economy as an engine for growth in the digital market place, facilitating the flow of information, communication and effectively matching service providers and demand for services. This view was echoed by EUCoLab (a stakeholder organisation), which similarly highlighted the progressive capacity of the collaborative economy in fostering entrepreneurship, innovation and creativity.

Furthermore, BusinessEurope stressed that web-based collaborative economy activities are easier for public authorities to detect than activities that are not web-based. If public systems that facilitate web-based collaborative economy activities can communicate necessary information to public authorities, it will help reduce undeclared work and increase declared work.

The opportunities the collaborative economy presents for small providers were stressed by several social partner/stakeholder organisations. EUCoLab, for example, emphasised that the collaborative economy provides small providers with an opportunity to access

⁴⁸ Interviews took place with stakeholders from the following Social Partner organisations: ETF, EUCoLab, HOTREC, ETUC. Documentary evidence was supplied by Business Europe (BE) and UEAMPE.

a larger number of customers. Documentary evidence from UEAPME expressed a similar view, stating that the collaborative economy offers the opportunity for traders to scale-up and enter a larger marketplace, thereby facilitating a wider choice for consumers.

With specific reference to work and employment, evidence from both BE and EUCoLab highlighted that the collaborative economy has the potential to offer more flexible forms of employment (especially to women, young people or people outside the classic job market) that would otherwise not exist. For EUCoLab, the collaborative economy represents a unique opportunity for new forms of working which could significantly benefit younger people and the 'under-employed'.

Correspondingly, EUCoLab and BE (in a position paper) mentioned that the collaborative economy also presents opportunities to address undeclared work. The potential for greater transparency, accountability and tracking of activity of platform workers was highlighted. The capacity to monitor electronic transactions was regarded by social partners and stakeholders (EUCoLab, BE) as providing better protection for both customers and workers. BE stated that when the collaborative economy takes place via electronic platforms, it is easier for public authorities to tackle undeclared work as they can more easily trace the activity, suggesting that they are supportive of enforcement agencies working together with collaborative economy platforms to improve compliance with the law.

8.2 The challenges of the collaborative economy for tackling undeclared work

By contrast, Social Partners representing union organisations highlight the capacity of the collaborative economy to erode and dismantle the opportunities for decent work and good employment. The view expressed by ETF and ETUC was that the growth of the collaborative economy has led to growing employment precarity and insecurity. The opportunities that platform working presents to disrupt and destroy 'decent work' by undermining existing business models was of considerable concern.

The ETUC highlighted that the collaborative economy presents a means for some employers to evade responsibility for social security and tax payments. The obscuring of employment status, allied to growth of bogus self-employment (BSE) was regarded by the ETUC as a means by which employers have been able to avoid tax and social security responsibilities. Given the ambiguity and complexity of employment status and employer responsibility, ETUC and ETF believed that the possibility for the growth of undeclared work was unprecedented. ETF referred to the 'uberification' of the transport sector, where employment status and responsibility for working conditions is unclear and where existing employment regulation is not enforced.

At a sectoral level, HOTREC drew attention to the recent efforts of the social partners in the hospitality sector in promoting 'good work' with decent terms and conditions of employment. However, they were concerned that the growth of unregistered hospitality providers is likely to result in an increase in undeclared work within the sector. In addition, difficulties in identifying the service provider was regarded as increasing the potential for undeclared work (for example in house-keeping, cleaning and catering). HOTREC expressed concern that the competitive pressures emanating from unregistered providers is likely to have a detrimental impact on the sector, reducing the capacity to invest and increasing cost pressures.

8.3 What measures would social partners like to see implemented at national level?

There was widespread agreement amongst social partners that competition between collaborative economy and traditional service providers must be fair. BE's documentary evidence, for example, highlighted that new business models should not undermine the level playing field between new and traditional business models providing similar services. UEAPME documentary evidence stated that it is not opposed to private individuals occasionally providing services, such as hospitality and transport through platforms. But when this activity becomes a source of regular income all the regulatory apparatus of the Member State should apply (i.e. registration of the business, payment of social contribution, VAT rules, income taxes, specific licenses and health and safety requirements). The necessary (legal) initiatives should be taken to ensure that platforms provide all necessary information to the authorities about the providers that use their platform to deliver services and the frequency with which they do so. This view was also expressed by HOTREC, which opined that national governments should demand the online registration of activity in the platform economy, which would facilitate greater transparency accountability and identification of tax liabilities.

Social partners representing unions also highlighted that national governments should take seriously the need to clarify the employment status of workers in the collaborative economy. ETUC was clear that at Member State level existing legislation should be enforced to ensure platforms conform with employment regulation and social protection requirements. Licensing of activity could offer a good means of ensuring that providers comply with the rules of the Member States in relation to tax, social security and employment status.

8.4 What measures would social partners like to see implemented at EU level?

Diverging views were expressed by the social partners in relation to the implementation of measures at EU level.

In the interviews and documentary evidence they supplied, social partners and stakeholders representing the business community (BE, EUCoLab and UEAPME) recommended a cautious approach to regulation and called for careful assessments of whether action or co-ordination are necessary. A position paper by BE, for example, stressed that policy makers need to carefully assess potential unintended consequences of excessively strict regulation, which might prevent companies from having the ability to find innovative solutions or implement best practices. This view was echoed by EUCoLab, which stated that problems relating to employment status in particular are not unique to the collaborative economy and could be effectively dealt with through existing mechanisms. The message from these social partners and stakeholders was that all-encompassing and constraining regulation would not help to foster innovation and maintain the positive impact of the collaborative economy on jobs and growth. However, they were not opposed to initiatives to stop legitimate businesses from suffering unfair competition from illegitimate service providers operating on an undeclared basis.

Some social partners also highlighted that it is important to ensure that self-employed workers are able to access social benefits such as pensions and unemployment, sickness and disability benefits. UEAPME's evidence emphasised that enforcing existing legislation to ensure protect employment and social rights is vital. They stated, that individuals using collaborative platforms may be unaware of legal requirements they should fulfil in relation to matters such as licenses, registration of business, insurance coverage and compliance with health and safety requirements and consumer protection.

The EU could therefore have a role in encouraging platforms to inform service providers about the regulatory framework that has to be complied with when offering such services. HOTREC also highlighted that the EU has an important role to play in disseminating best practise and issuing guiding principles.

By contrast other social partners highlighted the vital role of the EU in co-ordinating regulation and compliance across Member States. The ETUC, for example, argued that the EU provides a valuable role in tackling the erosion of job quality and undeclared work by ensuring that platforms can only offer work on the basis that it conforms to EU regulations. The ETUC suggested several measures that could be enacted at EU level, ranging from making it an offense to offer work that does not conform to basic EU Member State regulation to greater sanctions for non-compliance and cross-border enforcement. Moreover, ETF also called for greater clarity and harmonisation in relation to employment status at EU level.

8.5 Summary

There was agreement amongst social partners and stakeholders that competition between collaborative economy and traditional service providers must be fair and that the national governments of EU Member States should ensure a level playing field. There was support for the principles of transparency and accountability, which might involve authorisation of platform activities and information disclosure requirements. There was also agreement that compliance with legislation needs to be properly enforced so as to ensure the protection of employment and social rights. Ambiguities relating to the status of some collaborative economy workers and their rights is also a matter of concern to some social partners.

9 Conclusions and recommendations

This section provides the conclusions and recommendations of the study, with the conclusions structured to reflect the key research questions, and recommendations provided for member states and enforcement bodies and for the Platform.

9.1 Conclusions

The collaborative economy is growing rapidly in significance, and while it provides potential benefits it also brings risks in terms of potential undeclared work and false self-employment. The key conclusions resulting from this study are:

- While it is widely acknowledged that the collaborative economy is growing rapidly, it is currently impossible to provide accurate information about the extent of participation in the EU28. The lack of a single definition of the collaborative economy is a major impediment to efforts to measure its size and compare EU member countries.
- Improvements to national official statistics are being pursued but substantial knowledge gaps currently exist in relation to the size and characteristics of the collaborative economy. It is likely that information about the scale of the collaborative economy will become outdated very quickly, which implies the need for regular, systematic surveys.
- The collaborative economy can provide a breeding ground for undeclared work and false self-employment through, for example, the multiplication of small jobs, uncertainty regarding the distinction between personal and commercial activities, and ambiguities relating to the relationship between platforms and labour service providers who may rely on them for work.
- The potential for bogus self-employment exists in all sectors, although is probably lowest in peer-to-peer accommodation. The issue has become a particularly prominent concern in the transport sector.
- Relatively few legal measures have been adopted in relation to the collaborative economy and undeclared work. Of those measures that have been adopted, some have been at the national level while others have addressed problems in specific sectors.
- Important national level initiatives include: reforms that have enabled tax authorities to obtain information about collaborative economy participants directly from platforms; enabling service providers to earn small amounts of income without paying tax; requiring platforms to provide essential information to users, particularly in relation to their tax obligations; and the introduction of new rights for self-employed persons who obtain work via platforms.
- Important sector level initiatives include time limits on rentals, registration requirements and information disclosure requirements (accommodation sector) and stricter licensing requirements (peer-to-peer transport sector)
- Enforcement authorities have an important role to play in tackling undeclared work in the collaborative economy. The primary focus of activity has been in relation to deterrence measures relating to tax compliance and enforcement. However, incentive measures are also in evidence. These include the provision of additional advice and guidance by the tax authorities and proactive efforts to inform platform users that they need to declare the income they have received via platforms.
- The role played by social partners in the development of strategies to tackle undeclared work in the collaborative economy appears to have been relatively small to date. However, the social partners in some countries have been involved in policy discussions related to the collaborative economy and trade unions are

taking an increasingly active role in supporting and helping to organise workers in the collaborative economy.

- The social partners agree that EU member states can play an important role in creating a level playing field between the collaborative economy and traditional service providers.
- There is little cross-border exchange of information in relation to undeclared work in the collaborative economy.

9.2 Recommendations

Our recommendations are provided first for the EU, for member states and finally for the Platform.

Recommendations for the EU

Our principal recommendation for the EU is that:

A binding EU legal instrument should be introduced that would (i) require all platforms to report all transactions to the tax authorities in the countries in which they operate, (ii) compel platforms to supply tax authorities with information they might require in attempting to ensure compliance with tax laws, (iii) require platforms to inform users of their earnings and tax obligations and (iv) protect workers from being falsely classified as self-employed.

Platforms are the most important data source in relation to undeclared work in the collaborative economy. Participants are listed, and payments on online platforms are typically made electronically (e.g. via credit card), making it easier for authorities to identify potential participants in undeclared work and monitor transactions than when normal hidden cash-payments are made. Granting tax authorities the power to request information directly from the platforms is potentially a very cost-effective means of tackling undeclared work in the collaborative economy. Such a measure would tackle illegitimate activity without placing undue constraints on the growth potential of the legitimate collaborative economy. It would help to ensure that legitimate businesses both in the platform and wider economy do not suffer unfair competition from service providers operating on an undeclared basis in the collaborative economy. It would also encourage employer-led (rather than state-led) awareness-raising campaigns, and the involvement of social partners in the fight against undeclared work. Information obtained from platforms could be combined with other forms of information that authorities collect on individuals' incomes so as to inform inspection activities. This would lead to better targeted inspections and a more efficient use of scarce resources. Finally, an EU-wide approach to regulating platforms in this way would help tax authorities tackle undeclared cross-border work in the crowdworking sector.

Recommendations for Member States

Our principal recommendations for Member States are that:

Governments should ensure that the difference between commercial and non-commercial activities in the collaborative economy is clearly defined and communicated to platform users. Enforcement bodies and platforms both have important roles to play in communicating information.

Governments should investigate the potential for platforms to collect tax revenues and forward them directly to the tax authority.

Governments should bring forward measures to address concerns relating to the ambiguous employment status of many workers in the collaborative economy and the growth in bogus self-employment. Recent developments in the transport sector have highlighted the need to ensure that platforms do not treat economically dependent workers as independently self-employed persons.

Social partners should be involved in the design of policy measures where their remit and relevant knowledge can add value. This will be particularly valuable when activities at the sector level are being considered.

Recommendations for the Platform

Despite the prominence of the collaborative economy in academic and policy debates, and its growing importance as a means of coordinating commercial and non-commercial activities and employment, substantial knowledge gaps remain. If national policies and the work of the European Labour Authority are to be informed by reliable evidence, more needs to be discovered about the scale and nature of the collaborative economy, the risks it poses for potential undeclared work (as well as the potential benefits offered for stimulating declared work), mechanisms and interventions which tackle undeclared work within the appropriate sectors and the effectiveness of these mechanisms and interventions, both separately and in combination.

The Platform can play an important role in this regard by helping to generate, gather, process and disseminate information to Member States. We therefore recommend that:

Within the European Labour Authority, the Platform should act as a 'knowledge hub' on undeclared work within the collaborative economy.

The knowledge hub would bring together the research that is taking place across Member States on the collaborative economy, distil the implications for undeclared work and inform the work of other members of the European Labour Authority with regard to the implications for job mobility etc. Aligned with the spirit of the new Authority, the work of the knowledge hub would be underpinned by collaborative activity between labour authorities in each Member State, with the pooling of existing and co-production of new policy measures and initiatives to tackle undeclared work in the collaborative economy.

The following are recommended as priorities for the production of new knowledge:

A mapping exercise, capable of being readily updated, should be undertaken to identify the interventions to address undeclared work as it applies to the collaborative economy being followed in each Member State and to promote the adoption of good practices elsewhere;

The Platform and individual Member States should increase the use of evaluation to identify which measures are most effective and in what circumstances, to foster a culture of evidence-based practice;

The Platform should sponsor a series of 'pilot exercises' to trial and robustly evaluate novel policy measures, and actively disseminate the findings to support replication of good practices elsewhere; and

Further research should be undertaken to provide an estimate of the scale, and nature, of activities that comprise the collaborative economy.

The ability to compare Member States in terms of the size and composition of their collaborative economies is severely hampered by the lack of a common definition of the collaborative economy and regularly collected, standardised survey data. Regular surveys are particularly important given the speed at which the collaborative economy is expanding and evolving. We therefore recommend that:

A common definition of the collaborative economy be developed and applied across all 28 Member States to ensure common understandings and measures.

The Platform consider how existing data from EU-wide surveys, such as the Eurobarometer survey and Labour Force Survey, could be enhanced by the inclusion of specific and better questions on aspects of and involvement in the collaborative economy.

Finally, the cross-border nature of some forms of collaborative economy activity – notably crowdworking – imply a need for systems to enable sharing, and good information flows and cooperation between different Member States. We therefore recommend that:

The Platform actively facilitates increased cross-border activity around the collaborative economy, given the current limited activity in this area, the cross-border nature of the collaborative economy and the potential benefits of coordinated action.

Platform members should consider what types of information should be shared by enforcement bodies in different countries, what other forms of cross-border cooperation are required to help tackle undeclared work in the collaborative economy, and the potential benefits of bilateral agreements/MoUs in this regard.

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APPENDIX: Good Practices Fiches

Field	Information provided
Title of the policy or measure (in English)	Labour Act of 8 August 2016 – section 60: ‘Workers using electronic match making platforms’
Case study/good practice name	Securing career paths for self-employed persons
Country	France
Sectors	All sectors
Target Groups	Platforms providers / participants Mainly self-employed persons and people operating under the status of auto entrepreneur or micro entrepreneur
Short sentence summarising the measure	The Act refers to the ‘social responsibility of platforms’, which means that accident insurance as well as training contributions must be paid by the platforms. The platform has a social responsibility to those who use it to provide a service if the platform determines the characteristics of the service offered or the products sold and fixes the price. In this context, platforms must pay for accident insurance for self-employed individuals who provide services via the platform. Alternatively, a platform can also take out a collective insurance policy to cover all self-employed persons who use it. The right for self-employed persons to access training is recognized and the Act requires platforms to pay contributions to support the delivery of training actions and/or the validation of prior experience. Platforms are deemed to have a social responsibility to those who earn more than a specified level of income through the platform (set at €5,099.64 in 2017) The Act has also permitted self-employed persons to organise or join a trade union in order to defend their rights
Background	
<ul style="list-style-type: none"> Background context driving the implementation of the measure 	There have been concerns relating to the health and safety of workers who deliver goods and services using bicycles. The Act establishes that platforms have a ‘social responsibility’ towards self-employed persons with auto-entrepreneur or micro-entrepreneur status. It is intended to improve the attractiveness of self-employed status.
<ul style="list-style-type: none"> When was the measure implemented? (including start date and end date/ongoing) 	The Law was adopted in August 2016 and its provisions will be implemented in January 2018.
<ul style="list-style-type: none"> Names(s) of authorities/bodies/organisations involved 	General Division of Work – Ministry of Labour
<ul style="list-style-type: none"> Scope of the measure (a pilot project, nationwide, regional wide) 	Nationwide
<ul style="list-style-type: none"> Type of (policy) measure 	Legislation
Key objectives of the measure	To improve protections for self-employed individuals who work for platforms.
Specific measure	
<ul style="list-style-type: none"> Description of how the measure operates in practice 	The provisions will be implemented in January 2018. The measure should lead to platforms providing accident insurance cover to participants and supporting their involvement in training activities.
<ul style="list-style-type: none"> Which groups are targeted by the measure? 	Self-employed individuals providing services via platform

<ul style="list-style-type: none"> • What resources and other relevant organisational aspects are involved? 	Tax division, Ministry of Economy, ACOSS (central) and URSSAF (regional and local), institutions that collect social contributions for the self-employed, General Division for Employment and Training, Ministry of Labour (for training aspects)
<ul style="list-style-type: none"> • What are the source(s) of funding? 	Accident insurance and training contributions will be paid by collaborative platforms
Evaluation and outcome	
<ul style="list-style-type: none"> • Has the measure achieved its objectives? 	The provisions have not yet been implemented. Regarding the trade union aspect, Uber drivers have already started to organise.
<ul style="list-style-type: none"> • Assessment method (including indicators used to measure its impact), and the outputs and outcomes achieved 	N/A
<ul style="list-style-type: none"> • What are lessons learnt and the key conditions for success? 	Establishing the principle of social responsibility on the part of platforms is necessary, particularly when service provision involves a risk of accident (e.g. as in the case of services delivered via bicycles).
<ul style="list-style-type: none"> • Level of transferability (e.g. other countries/groups/sectors) 	Other countries could require platforms to support workers in similar ways (e.g. in relation to accident insurance and training). This would require legislation.
Contacts	General Division of Work – David Errard
Sources	https://www.legifrance.gouv.fr/affichTexteArticle.do;jsessionid=AECE61E7E99D38146F894F78ED7C568E.tpdila15v_3?idArticle=JORFARTI000032984286&cidTexte=JORFTEXT000032983213&dateTexte=29990101&categorieLien=id
Metadata and key words for online search	Social responsibility, accident insurance, delivery workers

Field	Information provided
Title of the policy or measure (in English)	URSSAF Ile de France (Office of Paris)
Case study/good practice name	A Working Group dedicated to collaborative platforms, in coordination with the national investigation unit on internet, and labour and tax administrations.
Country	France
Sectors	All sectors
Target Groups	Platforms providers / participants
Short sentence summarising the measure	The URSSAF Office of Paris has launched a working group dedicated to collaborative platforms with a mixed composition, including: representation from URSSAF Inspectors and managers, the Internet national investigation unit which operates at national level, local labour administration, and local tax administration (10 participants in total).
Background	
<ul style="list-style-type: none"> Background context driving the implementation of the measure 	<p>Increased risk of dissimulated work and revenues with the development of the collaborative platforms. The (still current) legal action against the UBER platform in France provided the initial stimulus for the creation of the group, with the objective of re-categorising UBER drivers as employees. The working group supports the national investigation Unit, which lacks resources for business intelligence actions and organising legal actions.</p> <p>To assist in the fight against dissimulated work, the working group brings together qualified people to tackle undeclared work. It has enabled improved coordination between the different administrations in charge of tackling undeclared work (tax, labour and social security).</p>
<ul style="list-style-type: none"> When was the measure implemented? (including start date and end date/ongoing) 	May 2016
<ul style="list-style-type: none"> Names(s) of authorities/bodies/organisations involved 	<p>URSSAF Ile de France</p> <p>DIRECCTE (Direction régionale des entreprises, de la concurrence, de la consommation, du travail et de l'emploi), ile de France</p> <p>DRFIP (Direction régionale des finances publiques), ile de France</p> <p>National investigation Unit based at ACOSS (head office of URSSAF)</p>
<ul style="list-style-type: none"> Scope of the measure (a pilot project, nationwide, regional wide) 	<p>Region wide, with the participation of the national investigation unit for the internet (launched in 2008).</p> <p>Most of platforms are located in Paris.</p>
<ul style="list-style-type: none"> Type of (policy) measure 	Working group

Key objectives of the measure	To enable relevant authorities to share information and coordinate actions.
Specific measure	
<ul style="list-style-type: none"> Description of how the measure operates in practice 	<p>Since May 2016, the group has met every quarter with 3 objectives:</p> <ul style="list-style-type: none"> Sharing information about platforms and the outcomes of business intelligence actions undertaken between each meeting, Identifying platforms with a risk of dissimulated work and organising legal actions at local level, and Monitoring the state of on-going legal actions managed by each partner. <p>In the case of platforms that are not located in Paris, legal actions are managed at local level by regional URSSAF.</p>
<ul style="list-style-type: none"> Which groups are targeted by the measure? 	Platforms and their users
<ul style="list-style-type: none"> What resources and other relevant organisational aspects are involved? 	Internal resources of URSSAF and ACOSS, local labour administration and local tax administration.
<ul style="list-style-type: none"> What are the source(s) of funding? 	Internal resources of URSSAF and ACOSS, local labour administration and local tax administration.
Evaluation and outcome	
<ul style="list-style-type: none"> Has the measure achieved its objectives? 	<p>The measure is too recent to be evaluated. A few weeks before its implementation, the IGAS report pointed to the lack of resources at URSSAF to fight against dissimulated work in the collaborative economy. Its implementation is therefore a response to this criticism.</p> <p>Various kinds of achievements must be underlined:</p> <ul style="list-style-type: none"> Stronger knowledge and understanding of existing economic and organisational models of platforms. More frequent auditing of platforms: audits can be conducted by URSSAF agents or labour inspectors. An annual action plan has been implemented by the Group since the beginning of the year. More targeted URSSAF audits: with the new opportunity for URSSAF administration to obtain the normative list of platforms providers (c.f. Finance Act for social security) since the first of July 2017, 9 platforms have already been controlled by URSSAF agents. <p>To conclude, the URSSAF administration does not communicate legal actions taken against platforms and, therefore, the name of the platforms that have been audited are not known.</p>
<ul style="list-style-type: none"> Assessment method (including indicators used to measure its impact), and the outputs and outcomes achieved 	N/A

<ul style="list-style-type: none"> • What are lessons learnt and the key conditions for success? 	<p>Tackling undeclared work in the collaborative economy requires coordination between different administrations at various levels.</p> <p>The IGAS report recommended the development of a national joint strategy between ACOSS and Labour Inspection operating at local level to reinforce and target legal actions on collaborative platforms.</p>
<ul style="list-style-type: none"> • Level of transferability (e.g. other countries/groups/sectors) 	<p>High. It is easy to implement, but depends on the proper organisation of each country to tackle the undeclared work. In France, the power of the tax and social security administrations to tackle undeclared work is stronger than that of the labour inspectorate, particularly as the former is empowered to ask platforms to supply lists of users.</p> <p>This new opportunity can explain why URSSAF of Paris decided to launch this group.</p>
<p>Contacts</p>	<p>Jerome OLLES, Control Director, URSSAF ile de France</p> <p>jerome.olles@urssaf.fr</p>
<p>Sources</p>	<p>Interview</p>
<p>Metadata and key words for online search</p>	<p>Implementing URSSAF and partners - labour inspection and tax administration - working group to tackle disseminated work in the collaborative economy.</p>

Field	Information provided
Title of the policy or measure (in English)	Finance Act of 2016 – section 242 and the Website giving information on tax to be paid by platform participants. In French : Loi de finances 2016 - article 242 (article 87) et le portail internet destiné à clarifier les obligations fiscales des participants aux plateformes
Case study/good practice name	Platforms' obligations and tax information
Country	France
Sectors	All sectors
Target Groups	Platforms and their participants
Short sentence summarising the measure	The Finance Act of 2016 required that companies which bring together people for the purpose of sharing or selling a service or a good must provide for each transaction accurate, clear and transparent information for the tax system regarding the revenues generated. Furthermore, platforms must organise a link between them and the tax authority website. Each January, platforms must deliver to users a document that details the total revenue they received via the platform during the previous year. The document must include: (1) company name and address, VAT number or (for foreigners) a company tax number, (2) user name and mail and postal address, (3) number of transactions conducted and (4) the amount of income received. The platform must demonstrate compliance by obtaining certification from an independent third party (auditor) before the 15th March each year. Where this is not done, the platform can be fined €10,000.
Background	
<ul style="list-style-type: none"> Background context driving the implementation of the measure 	The aim is to encourage platform participants to register revenues generated via platforms. It has increased the responsibility of platforms to deliver accurate, clear and transparent information to participants and the tax authority.
<ul style="list-style-type: none"> When was the measure implemented? (including start date and end date/ongoing) 	The Finance Act 2016 was voted on in December 2015 The decree was published on 2nd February 2017
<ul style="list-style-type: none"> Names(s) of authorities/bodies/organisations involved 	General division of public finances, Ministry of Economy
<ul style="list-style-type: none"> Scope of the measure (a pilot project, nationwide, regional wide) 	Nationwide
<ul style="list-style-type: none"> Type of (policy) measure 	A section integrated into the tax code
Key objectives of the measure	
Specific measure	
<ul style="list-style-type: none"> Description of how the measure operates in practice 	Platforms must develop a technical link with the website of the General Division of Public Finances : https://www.impots.gouv.fr/portail/particulier/questions/com

	<p>ment-declarer-mes-revenus-dactivites-annexes-telles-que-le-co-voiturage-la</p> <p>In January 2018, platforms will have to produce and transmit to their users the document requested by the General Division of Public Finances.</p> <p>The next step for the General Division of Public Finances is to request platforms to transfer the participants' documents to the public authorities. The latter measure could be quite effective for limiting the proliferation of undeclared work. Currently, the tax administration has the right to demand the list of platforms participants and the same right will be accessible to the URSSAF administration from the 1st July 2017.</p>
<ul style="list-style-type: none"> Which groups are targeted by the measure? 	Platforms and their participants
<ul style="list-style-type: none"> What resources and other relevant organisational aspects are involved? 	The General Division of Public Finances
<ul style="list-style-type: none"> What are the source(s) of funding? 	The measure does not need to be publicly funded. Platforms are responsible for delivering to each participant the document required by the tax administration.
Evaluation and outcome	
<ul style="list-style-type: none"> Has the measure achieved its objectives? 	The measure will be implemented in 2018.
<ul style="list-style-type: none"> Assessment method (including indicators used to measure its impact), and the outputs and outcomes achieved 	The number of platforms using an auditor is likely to increase.
<ul style="list-style-type: none"> What are lessons learnt and the key conditions for success? 	<p>The certification by an independent third party, such as an auditor, will increase the likelihood of the measure being applied.</p> <p>One of the conditions of success is the opportunity to inform platforms of their new obligations.</p>
<ul style="list-style-type: none"> Level of transferability (e.g. other countries/groups/sectors) 	Good, but several steps are required. There is a need to inform platforms of their obligations, create an internet site informing individuals of their rights and obligations regarding revenues coming from collaborative platforms, and create internet links between platforms and the tax administration
Contacts	
Sources	https://www.impots.gouv.fr/portail/particulier/questions/comment-declarer-mes-revenus-dactivites-annexes-telles-que-le-co-voiturage-la
Metadata and key words for online search	Loi de finances 2016 Finance Act 2016 (France)

Field	Information provided
Title of the policy or measure (in English)	Involvement of trade unions in crowdwork
Case study/good practice name	Involvement of German Metalworkers' Union in crowdwork
Country	Germany (Austria/Sweden)
Sectors	Crowdworking/freelancer marketplaces
Target Groups	Crowdworkers and Crowdworking Platforms
Short sentence summarising the measure	Since 2015, IG Metall (German Metalworkers' Union) has implemented several measures (workshops, meetings, surveys, and a rating platform for crowdworking and freelancer marketplaces) for crowdworkers and representatives of crowdworking and freelancer marketplaces.
Background	
<ul style="list-style-type: none"> Background context driving the implementation of the measure 	<p>Precarious solo self-employment (i.e. own-account self-employed persons without employees) is common in the crowdworking sector. Following a 2016 amendment to its statutes, crowdworkers have been able to become members of IG Metall. IG Metall has become involved in representing, supporting and informing crowdworkers. IG Metall has commissioned several studies on crowdwork, most recently on regulation of crowdwork (see https://www.igmetall.de/crowdworking-studie-des-hugo-sinzheimer-institut-hsi-25481.htm).</p> <p>In December 2016, IG Metall initiated the Frankfurt paper on platform-based work, where a code of conduct for good work in the crowdworking sector was signed by eight crowdwork and freelancer marketplaces.</p>
<ul style="list-style-type: none"> When was the measure implemented? (including start date and end date/ongoing) 	<p>May 2015: Implementation of the Fair Crowdwork Platform</p> <p>Since 2016: Organisation of workshops for crowdworkers and representatives of crowdworking and freelancer marketplaces. Surveys on crowdwork.</p> <p>December 2016: Frankfurt paper on platform-based work</p> <p>The platform was re-launched in June 2017.</p>
<ul style="list-style-type: none"> Names(s) of authorities/bodies/organisations involved 	IG Metall
<ul style="list-style-type: none"> Scope of the measure (a pilot project, nationwide, regional wide) 	Nationwide
<ul style="list-style-type: none"> Type of (policy) measure 	Social partner involvement / Cooperation between stakeholders / international cooperation
Key objectives of the measure	Improving working conditions for crowdworkers, ensuring that labour standards (e.g. minimum wage) are met, promoting cooperation between crowdworkers and crowdworking and freelancer platforms
Specific measure	Faircrowd.work platform
<ul style="list-style-type: none"> Description of how the measure operates in practice 	Together with an Austrian union, IG Metall started a platform where crowdworkers can rate the quality of crowdworking platforms.
<ul style="list-style-type: none"> Which groups are targeted by the measure? 	Crowdworkers/Crowdwork and freelancer marketplaces

<ul style="list-style-type: none"> What resources and other relevant organisational aspects are involved? 	<p>IG Metall cooperated with crowdwork and freelancer marketplaces. E.g. after the relaunch of the website crowdworkers can be contacted directly from their crowdworking or freelancer marketplace and asked to review it on the website Faircrowd.work.</p>
<ul style="list-style-type: none"> What are the source(s) of funding? 	<p>Funding from IG Metall; additional funding from an Austrian union; another Austrian Union as well as a Swedish union are now also involved.</p>
<p>Evaluation and outcome</p>	
<ul style="list-style-type: none"> Has the measure achieved its objectives? 	<p>To date traffic to the Faircrowd.work website has been limited, and many visitors are not necessarily crowdworkers, but also politicians, journalists, or union representatives. The German Metalworkers' Union stated that it is also important to influence 'influencers' that shape the crowdwork debate. These visitors are welcome on the website as this furthers the aim to involve media or the general public in a fact-based discussion about crowdwork.</p> <p>Union involvement in general has increased exchange between crowdworkers and crowdworking and freelancer marketplaces. Furthermore, IG Metall has published surveys on Crowdwork which have helped to improve the data situation. These endeavours might lead to more transparency in the crowdworking and freelancer marketplace sector and will therefore help to detect illegal employment.</p>
<ul style="list-style-type: none"> Assessment method (including indicators used to measure its impact), and the outputs and outcomes achieved 	<p>Since the relaunch in June 2017 the Platform has had around 50 unique visitors per day. The re-launch in June 2017 was necessary as the crowdwork platform rating system needed to be revised fundamentally and to improve authenticity of ratings.</p> <p>The main changes are available at http://wtf.tw/text/rating_labor_platform_working_conditions.pdf (page 2-3).</p> <p>Initially it was impossible to check that every user submitting a review for a particular platform had actually worked on that platform. Also, crowdworkers were asked to rate different dimensions of work on platforms (e.g. pay) using a scale of 1 to 5 stars, which was subsequently considered too crude for various reasons.</p> <p>The methods have been changed so that survey respondents are recruited directly through the platform being reviewed, obviating the need to check whether they have worked for it. In addition, workers are now asked concrete questions about their experiences, which are subsequently turned into ratings. This has helped to avoid some of the ambiguities associated with the previous rating system.</p>
<ul style="list-style-type: none"> What are lessons learnt and the key conditions for success? 	<p>Unions have to be open for crowdworkers as they are not very likely to organise by themselves, as crowdwork is often only a secondary income source.</p>
<ul style="list-style-type: none"> Level of transferability (e.g. other countries/groups/sectors) 	<p>Faircrowd.work platform: Concept could be transferred to other countries without many adaptations</p> <p>General union involvement: Depends on capacity of unions as well as on the willingness of crowdwork and freelancer marketplace representatives and crowdworkers to cooperate</p>
<p>Contacts</p>	<p>Michael Six Silberman, Ph.D. (IG Metall)</p>

Sources	https://www.igmetall.de http://faircrowd.work/ http://faircrowd.work/de/unions-for-crowdworkers/frankfurt-declaration/
Metadata and key words for online search	faircrowd.work, Frankfurter Erklärung zu plattformbasierter Arbeit

Field	Information provided
Title of the policy or measure (in English)	Measures of the Minijob-Zentrale (mini-job centre) to respond to the increasing importance of online-platforms in the household service sector
Case study/good practice name	Haushaltsjobbörse (household service job board) of the Minijob-Zentrale / Cooperation between Minijob-Zentrale with private online domestic service platforms in reforming the mini-job registration process.
Country	Germany
Sectors	Domestic services
Target Groups	Consumers and suppliers of household services (only private persons, no companies, dependent employment) / private household service platforms
Short sentence summarising the measure	The Minijob-Zentrale (mini-job centre) is the authority responsible for registering minor employment. It implemented an online household service platform that also provides employment registration advice. It also plans to simplify the mini-job registration process to react to the rising importance of online job placement. For this, the Minijob-Zentrale also cooperates with private household service platforms (e.g. betreut.de).
Background	
<ul style="list-style-type: none"> Background context driving the implementation of the measure 	<p><i>Haushaltsjobbörse</i> (household service job board)</p> <p>The Household service platform was introduced in November 2014 as part of the <i>Demografiestrategie</i> (demography strategy) of the Federal Ministry for Labour and Social Affairs (BMAS) and the Federal Ministry of Education and Research (BMBF). The aim was to increase demand for household services, to increase labour market participation of women (e.g. employment of household service worker for childcare or to help with household duties) and as a reaction to ageing of the population (care for the elderly).</p> <p><i>Reform of the registration process for minor employed in private households:</i></p> <p>In Germany, undeclared work in the household services sector amounts to around 3-4 million persons. The number of registered mini-jobbers employed by private households rose from 28,000 persons in 2003 to 300,000 during the last few years.</p> <p>Mini-Jobs are jobs with monthly incomes up to €450. These can be regular or occasional jobs or jobs in addition to regular employment; and employers pay a low lump sum to social insurance and income taxes. Private</p>

	households can employ mini-jobbers for household services, and must register their employees at the Minijob-Zentrale. The registration process for private household employers (<i>Haushaltsscheckverfahren</i>) is less complex than that for commercial employers. However, although online registration is possible, at the moment private households as employers as well as (mini-job) employees have to sign the registration documents by hand.
<ul style="list-style-type: none"> When was the measure implemented? (including start date and end date/ongoing) 	<i>Haushaltsjobbörse</i> (household service job board) November 2014
<ul style="list-style-type: none"> Names(s) of authorities/bodies/organisations involved 	Minijob-Zentrale (mini-job centre); Federal Ministry of Labour and Social Affairs (BMAS); Federal Ministry of Education and Research (BMBF); Private household service platforms
<ul style="list-style-type: none"> Scope of the measure (a pilot project, nationwide, regional wide) 	Nationwide (online)
<ul style="list-style-type: none"> Type of (policy) measure 	Job placement and advisory service; Public-private cooperation
Key objectives of the measure	<i>Haushaltsjobbörse</i> (household service job board) Professionalisation of household services, tackling undeclared (dependent) work in private households within the household service sector, ensuring worker rights for minor employed (minimum wage) <i>Reform of the registration process for minor employed in private households</i> making the mini-job registration process more attractive when using online-platforms
Specific measure	
<ul style="list-style-type: none"> Description of how the measure operates in practice 	<i>Haushaltsjobbörse</i> (household service job board) In general, the platform operates similarly to other household service platforms, but is free of charge and also includes information on the registration process after a work contract is completed. Private household service platforms usually pay fixed hourly wages for household service workers and keep a share of the hourly wage paid by employers for themselves. Therefore, it is beneficial for employers to employ employees directly (without intermediary fees) – but possibly also by employing them illegally. Services of the household service platform of the Minijob-Zentrale (job requests and vacancy advertisements) however are free of charge, as the household service platform does not have to make a financial profit. After registration, the Minijob-Zentrale informs jobseekers and employers on the (mini-job) registration process as well as on

	<p>legal regulations (e.g. minimum wage, holiday regulations...).</p> <p>However, only job requests and vacancy advertisements by private persons that will lead to dependent employment are allowed.</p> <p><i>Reform of the registration process for minor employment in private households:</i></p> <p>Also in reaction to the increasing importance of job placement via online platforms, Minijob-Zentrale will reform this registration process. Intended for Autumn 2017, private households will be able to complete the whole registering process of their (mini-job) employees online. Minijob-Zentrale is in contact with private household service platforms (e.g. betreut.de) and will support them in embedding the online registration form at their website. This might also help private household service platforms to assess how many mini-jobbers are registered at the Minijob-Zentrale. There is criticism that (private) household service platforms do not effectively ensure that household service providers are not bogus self-employed. In return, private household service platforms plan to share their findings with the Minijob-Zentrale.</p>
<ul style="list-style-type: none"> • Which groups are targeted by the measure? 	<p><i>Haushaltsjobbörse</i> (household service job board)</p> <p>Consumers and suppliers of household services (only private persons, no companies), persons interested in providing or demanding household services. This includes general cleaning services, child, elder and animal care, and gardening.</p> <p><i>Reform of the registration process for minor employment in private households:</i></p> <p>Private household service platforms, household service platform of the Minijob-Zentrale, private employers and employees in the household service sector</p>
<ul style="list-style-type: none"> • What resources and other relevant organisational aspects are involved? 	None
<ul style="list-style-type: none"> • What are the source(s) of funding? 	<p><i>Haushaltsjobbörse</i> (household service job board)</p> <p>Funded by the Federal Ministry of Labour and Social Affairs</p>
Evaluation and outcome	
<ul style="list-style-type: none"> • Has the measure achieved its objectives? 	<p>In general, the measures of the Minijob-Zentrale increased cooperation with private online domestic service platforms who might include the planned online registration process on their platforms.</p> <p>Consultation and registration reform measures might lead to less undeclared work or bogus</p>

	<p>self-employment in the household service sector. However, quantifying these effects is not possible (yet).</p> <p>The success of the household service job board is hard to assess.</p>
<ul style="list-style-type: none"> Assessment method (including indicators used to measure its impact), and the outputs and outcomes achieved 	<p>The household service job board records 8,000 to 10,000 registrations per year. The total number of users amounted to 48,000 in October 2017. On the household service job board, one main problem is that there are more vacancy advertisements than job search requests, as most domestic workers prefer other employment forms (including undeclared work) to a mini-job.</p>
<ul style="list-style-type: none"> What are lessons learnt and the key conditions for success? 	<p>In Germany, private online domestic service platforms are interested in cooperating with the relevant social security authority (Minijob-zentrale) as they do not want to be associated with promoting undeclared work and bogus self-employment. However, they also rely on the social security authorities' willingness to cooperate.</p>
<ul style="list-style-type: none"> Level of transferability (e.g. other countries/groups/sectors) 	<p><i>Haushaltsjobbörse</i> (household service job board)</p> <p>Easy to transfer to other countries, although the mini-job regulation and the Minijob-Zentrale are very specific for Germany.</p> <p><i>Reform of the registration process for minor employment in private households:</i></p> <p>Very specific to Germany (special regulation for registration of minor employment if a private household is the employer)</p>
Contacts	Thorsten Vennebusch (Minijob-Zentrale)
Sources	<p><i>Haushaltsjobbörse</i> (household service job board)</p> <p>https://www.haushaltsjobboerse.de/DE/Home/home_node.html</p> <p><i>Information on the registration process for minor employed in private households:</i></p> <p>https://www.minijob-zentrale.de/DE/01_minijobs/03_haushalt/03_infos_fuer_arbeitgeber/02_so_einfach_melde_ich_meine_hh_an/01_voraussetzungen/01_haushaltsscheck/basepage.html</p>
Metadata and key words for online search	Minijob-Zentrale, Haushaltsscheckverfahren

Field	Information provided
Title of the policy or measure (in English)	<p>Draft law on the discipline of digital platforms for the sharing of goods, services and provisions for the promotion of the sharing economy.</p> <p>In Italian: Disciplina delle piattaforme digitali per la condivisione di beni e servizi e disposizioni per la promozione dell'economia della condivisione</p>
Case study/good practice name	-
Country	Italy.
Sectors	Sharing economy.
Target Groups	<p>Sharing economy platforms.</p> <p>The draft law contains a definition of the sharing economy which establishes the digital platforms to which the future Law will apply.</p> <p>The sharing economy consists of the economy generated by the optimized allocation and sharing of space, time, goods and services resources through digital platforms.</p> <p>To be considered as part of the sharing economy sector, platforms must:</p> <ul style="list-style-type: none"> - act to facilitate contact between users; - be able to offer extra services; - not have any subordinate employment relationships with users. <p>Furthermore, goods offered through platforms must belong to the users.</p> <p>This regulation does not apply to platforms that act as brokers for professional operators registered in the business register.</p>
Short sentence summarising the measure	The Bill is the first attempt to address the phenomenon of the collaborative economy in Italy by: setting controls over the sector; setting a specific discipline on taxation, and establishing a system of monitoring and sanctions for platforms in the case of non-compliance.
Background	
<ul style="list-style-type: none"> • Background context driving the implementation of the measure 	Italy has not yet regulated the collaborative economy. Since this sector has been growing over last couple of years, a non-governmental the draft law proposed by members of the Parliament to regulate the phenomenon was presented to the Italian Parliament on January 27 th 2016.
<ul style="list-style-type: none"> • When was the measure implemented? (including start date and end date/ongoing) 	Parliament is still evaluating the Bill. The Bill is being considered by Parliament Commissions for Transport and for Commercial Services. The Commissions started their work on May 3 rd 2016. The most recent meeting of the Commissions was held on January 27 th 2017.
<ul style="list-style-type: none"> • Names(s) of authorities/bodies/organisations involved 	Parliament.
<ul style="list-style-type: none"> • Scope of the measure (a pilot project, nationwide, regional wide) 	The measure applies to all platforms that fall under the definition of the sharing economy and which operate in Italy (see Target Groups).
<ul style="list-style-type: none"> • Type of (policy) measure 	Law.
Key objectives of the measure	<p>The key objectives of the measure are:</p> <ul style="list-style-type: none"> - establishing a way to monitor this specific sector;

	<ul style="list-style-type: none"> - tackling tax evasion by setting a specific discipline on taxation. <p>Tackling undeclared work is not specifically a key objective of the measure. In fact, many platforms linked to undeclared work may not fall under the definition of collaborative economy platforms as provided by the Bill (which will therefore not apply to them) and, in any case, will not have any subordinate employment relationships with users (workers).</p>
Specific measure	
<ul style="list-style-type: none"> • Description of how the measure operates in practice 	<p>The most important measures envisaged in the Bill are:</p> <ol style="list-style-type: none"> 1) the introduction of an electronic register where platforms must be registered. Each year The Italian Competition Authority (AGCM) reports to the Parliament and could propose modifications to the Law. The Authority would set an annual contribution (no more than 0.008%) to be paid by platforms; 2) the obligation for the platforms to draw up a business policy document to be approved by the Authority. This must include the discipline of the contractual relations between the digital platform and its users, as well as rules regarding transactions which can only be executed through electronic payment systems. The policy document cannot contain provisions concerning a number of issues such as monitoring users' performances or providing compulsory tariffs for users; 3) the introduction of a regulation on the taxation of income deriving from services carried out through platforms. Income of up to €10,000 is subject to a tax rate of 10%. Income above €10,000 is combined with subordinate employment or self-employment income, and the corresponding rate applies. Platforms must act as 'substitutes' for the tax authorities by holding the basic taxation (10%); 4) the introduction of privacy regulations; 5) the introduction of a monitoring system for evaluating the growth of the sector and the impact of the measure; 6) the introduction of a control and sanction system. If the Authority discovers that a digital platform is not registered, it will be suspended until it is registered. Furthermore, platforms which are not registered by the deadline must pay a fine of up to 25% of their annual revenue; 7) the introduction of a presumption of the abuse of economic dependence in favor of the user, in cases where a platform forces a user to refuse to offer customers proposals for the supply of goods or services at better conditions than those provided by the platform itself without just cause. This presumption would lead to the application of the Law No. 192/1998, which protects companies in a weak position when another company (in a strong position) imposes on them excessively burdensome conditions.
<ul style="list-style-type: none"> • Which groups are targeted by the measure? 	Collaborative economy platforms that fall under the definition provided by the Bill.
<ul style="list-style-type: none"> • What resources and other relevant organisational aspects are involved? 	The AGCM is the main body involved.

<ul style="list-style-type: none"> • What are the source(s) of funding? 	<p>The financial resources deriving from the implementation of the future Law will be used to allow the full deductibility of enrollment fees for Masters or training courses up to €5,000 for each platform or user.</p> <p>The financial resources which are not used for the above purposes, will be used to finance technological innovation and the digitization of businesses.</p>
Evaluation and outcome	
<ul style="list-style-type: none"> • Has the measure achieved its objectives? 	Since the measure has not yet been adopted this question cannot be answered.
<ul style="list-style-type: none"> • Assessment method (including indicators used to measure its impact), and the outputs and outcomes achieved 	<p>Art. No. 9 of the Bill regards monitoring the impact of the Law, and particularly its regulatory system, on the collaborative economy.</p> <p>Registered platform operators communicate to the National Institute of Statistics (the so-called ISTAT) the relevant data, aggregated on a municipal basis, such as number of users, activities carried out, type of goods and services offered.</p>
<ul style="list-style-type: none"> • What are lessons learnt and the key conditions for success? 	Since the measure has not been adopted yet this question cannot be answered.
<ul style="list-style-type: none"> • Level of transferability (e.g. other countries/groups/sectors) 	The measure could be transferred to other countries particularly in order to tackle tax evasion.
Contacts	http://www.camera.it/leg17/126?tab=2&leg=17&idDocumento=3564&sede=&tipo=
Sources	Bill No. A.C. 3564/2016
Metadata and key words for online search	Disciplina piattaforme digitali condivisione beni servizi disposizioni promozione economia condivisione. Economia collaborativa.

Field	Regulation short term accommodation rental
Title of the policy or measure (in English)	Various regional regulations.
Case study/good practice name	Regulation of dwellings for tourism use
Country	Spain
Sectors	Short term accommodation rental
Target Groups	Individuals renting flats and apartments for tourism use
Short sentence summarising the measure	The measure partly addresses the phenomenon of 'collaborative rentals' by regulating dwellings for tourism use. The Autonomous Communities have taken steps to regulate this phenomenon. Some have defined it as a dwelling that has been rented out to a third party, directly or indirectly, in exchange for a fee, for a period of up to 31 days, two times or more in a given year.
Background	
<ul style="list-style-type: none"> Background context driving the implementation of the measure 	<p>Spain is a popular destination for tourists and the number of tourists has increased in recent years. In this context, alternative non-regulated tourism accommodation and short-term rentals have been growing to meet this increasing demand as well as offering new services (family tourism, young people tourism, etc.). In addition, the economic crisis in 2008 triggered a dramatic increase in unemployment, which led citizens to look for alternative income sources within the tourism industry. These alternative incomes have been facilitated by the emergence of online platforms managing short term accommodation rentals.</p> <p>Bearing this context in mind, many regional governments saw a need to regulate dwellings used for touristic purposes which were proliferating in a legal vacuum.</p>
<ul style="list-style-type: none"> When was the measure implemented? (including start date and end date/ongoing) 	The first regional initiative was taken in Catalonia in November 2012. Many other regions have since introduced similar measures.
<ul style="list-style-type: none"> Names(s) of authorities/bodies/organisations involved 	The regional governments of several Autonomous Communities have enacted regulations. Town councils are in charge of enforcing the regulation, and can also manage and limit the areas of the municipality where dwellings for tourism use are permitted. In

	<p>general, they do not collect taxes but rather impose the penalties and organise and manage the areas where dwelling for tourism are permitted.</p>
<ul style="list-style-type: none"> • Scope of the measure (a pilot project, nationwide, regional wide) 	Several Autonomous Communities
<ul style="list-style-type: none"> • Type of (policy) measure 	Regulation
<p>Key objectives of the measure</p>	The objective of the decree is to clarify and regulate tourism accommodation establishments and dwellings for tourism use.
<p>Specific measure</p>	
<ul style="list-style-type: none"> • Description of how the measure operates in practice 	<p>There are some differences in the approaches taken by Autonomous Communities. In general, however, the regulations establish the following conditions that a dwelling for tourism use must meet:</p> <ul style="list-style-type: none"> • it must have a certificate of occupancy and comply at all times with general technical and quality standards for housing; • it may not be occupied by more people than the places indicated on the certificate of occupancy; • it must be adequately furnished and have all the appliances and utensils necessary for its immediate use, and it must be in a perfect state of hygiene; and • the owner cannot be living in it. <p>To legalise a dwelling for tourism use, the owner normally has to submit to the town council of the city where the dwelling is located a signed communication prior to commencement of activity. If accepted, the owner would be obliged to register with the regional Tourism Register, guarantee a housing maintenance and assistance service and send the Directorate-General of Police information on the people staying at the dwelling. Moreover, in the Autonomous Communities that have established a tax on stays at tourist establishments, owners have to charge and pay the tax.</p>
<ul style="list-style-type: none"> • Which groups are targeted by the measure? 	Owners of dwelling for tourism use
<ul style="list-style-type: none"> • What resources and other relevant organisational aspects are involved? 	
<ul style="list-style-type: none"> • What are the source(s) of funding? 	These are regulations and funding is not assigned. However, it is worth noting that some regions (for example Catalonia) have established tourism taxes in this context, which allows them to collect funds. As an example, the amount raised in Catalonia increased from

	€2,857,332.75 in 2012 to 47,667,558,41 in 2016 (Data on tourism tax. Generalitat).
Evaluation and outcome	
<ul style="list-style-type: none"> Has the measure achieved its objectives? 	<p>The regulations of the Autonomous Communities that have dealt with dwellings for tourism have not been formally evaluated. However, consultations with stakeholders in the specific case of Catalonia (which might provide an indication of the effects in other Autonomous Communities) found that:</p> <ul style="list-style-type: none"> The measure has contributed to the regulation of an emerging phenomenon. The number of dwellings of tourism use has continuously increased. From May 2015 to May 2017 (last figure available), the number of dwellings for tourism use has increased from 40,193 to 59,531 (Tourism Register of Catalonia). The regulation has also led town councils to improve the monitoring of irregular and fraudulent practices leading to undeclared taxes. In the framework of the regulation, the town council of Barcelona is launching annual campaigns to monitor and inspect dwellings of tourism use. In 2015, the town council of Barcelona carried out 2,146 inspections and imposed 482 economic sanctions on owners for non-fulfillment of different elements of the regulation, including not being registered in the Tourism Register of Catalonia. Moreover, urban policies conducted inspections on 1,816 dwellings that lacked licenses and had been denounced by neighbours. Overall, during 2015, 338 expedients requiring the close of dwellings for tourism use were initiated; 16 dwellings for tourism use were closed; and 17 were approved to be closed (Barcelona Town Council, 2016). From January 2016 to April 2017, the town council opened 4,300 cases, which ultimately resulted in sanctions equal to €1.3 million being imposed. These funds will be allocated to public dwelling policies. In addition, it is worth noting that in 2015, the town council of Barcelona created a contact point (telephone and website) to allow neighbours to denounce irregular cases. The number of complaints recorded in 2015 was 39, rising to 2,784 in 2016. From January to April 2017, 560 denouncements were submitted (Barcelona Town Council, 2017). Regarding online platforms, the town council has opened 16 sanctioning cases (initially assessed as irregular but not yet evaluated) relating to online platforms that advertised

	<p>dwelling for tourism use without being registered in the Tourism Register of Catalonia. The platforms AIRBNB and HOMEWAY have received fines of €30,000 for circumventing regulations on dwellings for tourism use (Barcelona Town Council, 2017).</p>
<ul style="list-style-type: none"> • Assessment method (including indicators used to measure its impact), and the outputs and outcomes achieved 	<p>Formal evaluations have not been conducted. Data used to evaluate the measure in the Catalonia case comes from administrative registers and official sources.</p>
<ul style="list-style-type: none"> • What are lessons learnt and the key conditions for success? 	<p>The measure has contributed to the regulation of a new phenomenon that was operating in a legal vacuum. Moreover, it has led to town councils better monitoring undeclared activities and increasing tax collection.</p>
<ul style="list-style-type: none"> • Level of transferability (e.g. other countries/groups/sectors) 	<p>Level of transferability is high. Indeed, Catalonia was the first region in Spain to regulate in this area. All of the Autonomous Communities have since adopted similar legislation, and it could be argued that Autonomous Communities have considered the Catalan regulation when developing their own regulations. As noted by De la Encarnación (2016), regional regulation on collaborative rental through this newly figure of dwelling for tourism use is very similar.</p>
<p>Contacts</p>	
<p>Sources</p>	<p>Inspection plan of tourism dwellings report. Barcelona Town Council (2016, 2017)</p> <p>Tourism Register of Catalonia</p> <p>Data on tourism tax. Generalitat (Catalan Government)</p> <p>De la Encarnación, A.M. (2016): 'El alojamiento colaborativo: Viviendas de uso turístico y plataformas virtuales'. Reala, Nueva Época, N. 5.</p>

Field	Regulation road transport
Title of the policy or measure (in English)	Royal Decree 1057/2015, approved on the 20th of November, which modifies the Law 16/1987, on road transport.
Case study/good practice name	Regulation passenger transport
Country	Spain
Sectors	Peer-to-peer passenger transport
Target Groups	Vehicles with private drivers that can operate as a company (so-called VTC). According to the Ministry for Public works, there are in Spain 5,848 VTC licenses (July 2017), which compares to 65,043 taxi licenses.
Short sentence summarising the measure	<p>The Royal Decree 1057/2015 regulates the proportionality between taxis and VTC that can operate as companies, establishing a ratio of 1 VTC with administrative authorization to 30 taxis. This is the maximum ratio for all of the regions, but the specific number of licenses can be modified by the regional governments.</p> <p>It also establishes the following conditions in relation to VTC:</p> <ul style="list-style-type: none"> - It forbids VTC to circulate searching for clients or transport clients who have not been previously hired through telematics settings; - it clarifies that VTC tariffs will continue to be unregulated, but requires companies providing those services to publicly advertise their prices; - it forbids VTC to carry external signage, markings or colour of the vehicle which can lead consumers to confuse VTC and taxis' activities; - it restricts the 'usual use of the vehicle' to providing services intended to satisfy the needs of the territory where the VTC has been authorised. According to the law, this principle will be understood as unfulfilled when 20% or more of the services within a three-month period have been provided outside the territory where the VTC has been authorised.
Background	
<ul style="list-style-type: none"> • Background context driving the implementation of the measure 	Regulation on VTC has been a crucial issue for peer-to-peer transportation platforms as these platforms do not provide taxi services. Thus, some of them, such as Cabify, have operated in Spain with drivers holding VTC licences, the number of which was not regulated or limited

	<p>since 2010. Although Services Directive did not establish this criterion, Law 25/2009 transposing the Directive liberalised this segment of activity eliminating the restrictions to VTC licenses.</p> <p>In a context marked by the protests of taxi drivers' associations against peer-to-peer transportation platforms for representing, according to them, a case of unfair competition, the government approved on the 20th of November a Royal Decree (RD 1057/2015) that modified the regulation on road transport with a view to establishing new restrictions and conditions to VTC vehicles.</p>
<ul style="list-style-type: none"> When was the measure implemented? (including start date and end date/ongoing) 	20th November 2015 onwards
<ul style="list-style-type: none"> Names(s) of authorities/bodies/organisations involved 	Ministry of Public Work (Ministerio de Fomento), Autonomous Communities
<ul style="list-style-type: none"> Scope of the measure (a pilot project, nationwide, regional wide) 	National
<ul style="list-style-type: none"> Type of (policy) measure 	Regulation (Royal-Decree)
<p>Key objectives of the measure</p>	<p>To reform the Law for road transport 16/87 and the Law 25/2009 transposing the Services Directive that liberalised the segment of activity of private vehicles with driver that can operate as companies, eliminating the restrictions to VTC licenses. The regulation aims to:</p> <ul style="list-style-type: none"> - Set up a proportion between taxis and VTC, establishing a ratio at national level (1 VTC with administrative authorization to 30 taxis) - Forbid VTC vehicles to circulate searching for clients. - Restrict the 'usual use of the vehicle' to provide services intended to satisfy needs of the territory where the VTC has been authorised, limiting its geographic area, although to a lesser extent than regulation which applies to taxis.
<p>Specific measure</p>	
<ul style="list-style-type: none"> Description of how the measure operates in practice 	The regulation applies to all the Spanish territory. Regional administrations are responsible for providing authorised VTC licences and enforcing regulation.
<ul style="list-style-type: none"> Which groups are targeted by the measure? 	VTC vehicles and peer-to-peer passenger transport as far as they only can operate within this legal framework
<ul style="list-style-type: none"> What resources and other relevant organisational aspects are involved? 	It is a national regulation.
<ul style="list-style-type: none"> What are the source(s) of funding? 	The regulation does not include funding

Evaluation and outcome	
<ul style="list-style-type: none"> Has the measure achieved its objectives? 	<p>Yes, as peer-to-peer passenger transport have had to adapt themselves to the Spanish regulation which distinguishes VTC and taxi services and establishes a limit on the proportionality between taxis and VTC licences as well as additional restrictions (geographical area, etc.). However, in reality, this limit is not being fully respected, because some persons had gone to court before the RD was approved and have obtained a VTC license (beyond the 1/30 limit).</p>
<ul style="list-style-type: none"> Assessment method (including indicators used to measure its impact), and the outputs and outcomes achieved 	<p>Evaluations of this regulation have not been conducted.</p>
<ul style="list-style-type: none"> What are lessons learnt and the key conditions for success? 	<p>It adapts peer-to-peer transportation platforms to the Spanish regulation providing a different regulation for private vehicles that can operate as companies, which is different to that applying to taxi drivers.</p> <p>It has enabled the peer-to-peer transport platforms to operate in Spain by adapting themselves to the country specific regulation. Uber has reacted to the new regulation changing its business model to be able to operate in Spain.</p>
<ul style="list-style-type: none"> Level of transferability (e.g. other countries/groups/sectors) 	<p>Level of transferability of the specific measure appears to be low as it is an adaptation of a specific Spanish regulation. However, countries wishing to restrict the use of peer-to-peer transport operators in relation to taxis could introduce similar regulations.</p>
Contacts	
Sources	<p>Royal Decree 1057/2015, approved on the 20th of November, modifies the law on road transport.</p>

Field	Information provided
Title of the policy or measure (in English)	Dialogue between Airdnd and the Dutch authorities
Case study/good practice name	Home restaurant - Airdnd
Country	The Netherlands
Sectors	home-room restaurants
Target Groups	Hobby chefs
Short sentence summarising the measure	A workshop involving the home restaurant platform Airdnd and various government ministries, agencies and other stakeholders to establish Airdnd's obligations in the context of the 'right to challenge'. The 'Right to Challenge' (RTC), is an instrument that gives citizens and businesses the ability to abide by regulation in their own way, without complying with all legal rules. The difference with mandatory target regulation is that, with RTC, there are mandatory means provisions, but these may be waived.
Background	
<ul style="list-style-type: none"> Background context driving the implementation of the measure 	Airdnd is a digital platform that connects people who want a living room restaurant to hobby chefs. For Airdnd, it is not clear how much money hobby chefs can earn and how often they can open the restaurant.
<ul style="list-style-type: none"> When was the measure implemented? (including start date and end date/ongoing) 	The first Right to Challenge workshop was held in June 2016, initiated by the Ministry of Economic Affairs, with Airdnd as the main focus.
<ul style="list-style-type: none"> Names(s) of authorities/bodies/organisations involved 	During this workshop, Airdnd founders engaged in talks with stakeholders such as the Tax Authority, Trade association for Hospitality services (KHN), Dutch Food Safety Authority (NVWA), Ministries of Economic Affairs, Security & Justice and Home Affairs, municipalities and various public stakeholders.
<ul style="list-style-type: none"> Scope of the measure (a pilot project, nationwide, regional wide) 	Workshop – experiment
<ul style="list-style-type: none"> Type of (policy) measure 	Workshop to facilities dialogue between platforms and the public authorities'
Key objectives of the measure	To achieve regulatory goals in innovative ways.
Specific measure	
<ul style="list-style-type: none"> Description of how the measure operates in practice 	The parties discussed, among other things, the (equal) playing field and the boundary between business and hobby.
<ul style="list-style-type: none"> Which groups are targeted by the measure? 	Platforms for home-room restaurants
<ul style="list-style-type: none"> What resources and other relevant organisational aspects are involved? 	NA
<ul style="list-style-type: none"> What are the source(s) of funding? 	Dialogue via a workshop. Funding not required.
Evaluation and outcome	
<ul style="list-style-type: none"> Has the measure achieved its objectives? 	A dialogue has been set up in which government, the platform and stakeholders collectively seek

	solutions for how to deal with public interests in relation to Airdnd. In the context of Right to Challenge, they are looking for ways to achieve legislative and regulatory goals in innovative ways, with fruitful first proposals.
<ul style="list-style-type: none"> Assessment method (including indicators used to measure its impact), and the outputs and outcomes achieved 	The ministry of Economic Affairs notes that the opportunities for innovation offered by RTC should outweigh the additional supervisory burden. Also, the equivalence of solutions should be sufficiently demonstrated. An additional condition is that accepted alternatives are published so that others can make use of them.
<ul style="list-style-type: none"> What are lessons learnt and the key conditions for success? 	Sharing of usage data with authorities turned out to be difficult for Airdnd. Without this information, a municipality cannot properly monitor and enforce. But for privacy reasons, Airdnd does not want to share individual usage data. One possible solution to this situation is to set up an independent third party that checks (and possibly even maintains) whether users of a platform operate according to the agreed rules.
<ul style="list-style-type: none"> Level of transferability (e.g. other countries/groups/sectors) 	Other platforms in other sectors may use the right to challenge.
Contacts	
Sources	<p>Ministerie van Economische Zaken (2016). <i>Werken aan toekomstbestendige wetgeving en een toekomstbestendig wetgevingsproces</i> (DGBI-R&I / 16098216).</p> <p>Frenken, K., A. van Waes, M. Smink & R. van Est (2017) <i>Eerlijk delen - Waarborgen van publieke belangen in de deeleconomie en de kluseconomie</i>. Den Haag: Rathenau Instituut.</p>
Metadata and key words for online search	Airdnd, home restaurant, 'Right to Challenge'

Field	Information provided
Title of the policy or measure (in English)	HMRC's 'Employment Status and Intermediaries Team' (National)
Case study/good practice name	Employment Status and Tax
Country	UK
Sectors	All sectors
Target Groups	Employment status: employed or self-employed, working through an intermediary and self-employment
Short sentence summarising the measure	HMRC has launched a new 'Employment Status and Intermediaries Team', which will investigate companies that have declared a high number of self-employed workers to root out cases of false self-employment. The unit was created to tackle a range of employment status concerns, including those relating to the extensive use of ostensibly self-employed workers in the 'gig' economy and the possibility that companies will classify workers as self-employed in order to avoid social insurance and employment rights obligations.
Background	
<ul style="list-style-type: none"> Background context driving the implementation of the measure 	<p>The growth of 'self-employment' in the UK has been well documented. Several recent employment tribunal cases have challenged employment status and highlighted the misclassification of workers as 'self-employed'.</p> <p>The team investigate the use of bogus self-employment as a cost saving measure (on benefits, tax, NICs, etc). The team responds to complaints and actively investigate companies that have a large number of self-employed workers or agency workers.</p>
<ul style="list-style-type: none"> When was the measure implemented? (including start date and end date/ongoing) 	<p>HMRC's 'Employment Status and Intermediaries Team' (National)</p> <p>HMRC has launched a new 'Employment Status and Intermediaries Team', which will investigate companies that have declared a high number of self-employed workers in order to root out cases of false self-employment. It is anticipated that this will have implications for the regulation of the UK's gig economy.</p>
<ul style="list-style-type: none"> Names(s) of authorities/bodies/organisations involved 	HM Revenue and Customs

• Scope of the measure (a pilot project, nationwide, regional wide)	Nationwide
• Type of (policy) measure	Employment status
Key objectives of the measure	To investigate the possible misclassification of workers as self-employed, which results in reduced tax revenue and lack of worker protection (minimum wage etc.).
Specific measure	
• Description of how the measure operates in practice	<p>The remit of the new team is to take 'all necessary steps' to ensure that companies are paying the correct amount of tax and national insurance contributions, which will include both interest and penalties. The measure is intended to clamp down on those companies operating in the 'gig economy' who incorrectly classify their workers as self-employed.</p> <p>The 'dedicated resource' would give HMRC appropriate expertise to address compliance by companies in terms of employment rights.</p> <p>Concurrently, new measures under Finance Regulation Act 2016 give HMRC further powers to tackle the digital hidden economy. They provide HMRC with a new power to gather data from business intermediaries who facilitate transactions, particularly online, and electronic payment providers who operate digital wallets. HMRC will be able to compare that third-party data with its own information to identify those businesses who are failing to register with HMRC or are not declaring the full amount of the tax they owe.</p>
• Which groups are targeted by the measure?	Misclassified workers / Hidden Economy
• What resources and other relevant organisational aspects are involved?	HMRC
• What are the source(s) of funding?	HMRC/ National government
Evaluation and outcome	
• Has the measure achieved its objectives?	New policy initiative
• Assessment method (including indicators used to measure its impact), and the outputs and outcomes achieved	On-going
• What are lessons learnt and the key conditions for success?	On-going
• Level of transferability (e.g. other countries/groups/sectors)	Possibility of transfer to other countries based on shared classification of worker status
Contacts	HMRC
Sources	https://www.gov.uk/guidance/check-employment-status-for-tax
Metadata and key words for online search	Employment status, Hidden economy, tax

Field	Information provided
Title of the policy or measure (in English)	The employment status of Uber drivers (Sectoral)
Case study/good practice name	Employment status
Country	UK
Sectors	Transport
Target Groups	Bogus Self – Employed
Short sentence summarising the measure	GMB trade union instigated an employment test - case regarding employment status of UBER drivers to Employment Tribunal in UK
Background	
<ul style="list-style-type: none"> Background context driving the implementation of the measure 	<p>In 2015 the GMB trade union brought a case to an Employment Tribunal on behalf of Uber drivers. The tribunal was to determine if Uber acted unlawfully by not providing its drivers with “basic workers’ rights”, such as holiday pay and a national minimum wage.</p> <p>This is the first time that Uber's claim that drivers are self-employed has been tested under UK law. Uber’s defense was that it is a technology company, not a taxi company, and that Uber drivers do not work for Uber but instead work for themselves as self-employed business men and women</p> <p>The tribunal ruled that UBER drivers are workers rather than self-employed contractors. The ruling means that Uber drivers in the UK will be entitled to holiday pay, paid rest breaks and the National Minimum Wage. Uber is appealing the judgment. The ruling could impact on other gig economy businesses operating in the UK and has encouraged other employment classification challenges.</p> <p>The tribunal judged that: ‘any driver who (a) has the App switched on, (b) is within the territory in which he is authorised to work, and (c) is able and willing to accept assignments, is, for so long as those conditions are satisfied, working for Uber under a ‘worker’ contract and a contract within each of the extended definitions’.</p>
<ul style="list-style-type: none"> When was the measure implemented? (including start date and end date/ongoing) 	On-going
<ul style="list-style-type: none"> Names(s) of authorities/bodies/organisations involved 	GMB Trade Union and Employment Tribunal
<ul style="list-style-type: none"> Scope of the measure (a pilot project, nationwide, regional wide) 	Pilot case with potential for national impact
<ul style="list-style-type: none"> Type of (policy) measure 	Employment status / employment protection
Key objectives of the measure	To improve protections for workers in the collaborative economy, particularly those at risk of bogus self-employment. Legal test case brought by the trade union GMB to challenge bogus self-

	employment status and the misclassification of workers.
Specific measure	
<ul style="list-style-type: none"> Description of how the measure operates in practice 	Employment tribunal ruling identified the conditions under which Uber driver is a 'worker' rather than self-employed. The tribunal indicated that if certain conditions were met (i.e. any driver who has the App switched on, is within the territory in which he is authorised to work, and is able and willing to accept assignments) is working for Uber under a 'worker' contract
<ul style="list-style-type: none"> Which groups are targeted by the measure? 	Uber drivers
<ul style="list-style-type: none"> What resources and other relevant organisational aspects are involved? 	GMB Trade Union
<ul style="list-style-type: none"> What are the source(s) of funding? 	GMB Trade Union
Evaluation and outcome	
<ul style="list-style-type: none"> Has the measure achieved its objectives? 	On-going. Uber has already announced that it will be appealing the decision (the appeal is due to be considered in September 2017)
<ul style="list-style-type: none"> Assessment method (including indicators used to measure its impact), and the outputs and outcomes achieved 	On-going
<ul style="list-style-type: none"> What are lessons learnt and the key conditions for success? 	On-going
<ul style="list-style-type: none"> Level of transferability (e.g. other countries/groups/sectors) 	<p>Currently focussed on employment status for UBER drivers, with wider implications and transferability for other workers in the collaborative economy in the UK.</p> <p>Significant implications for bogus self-employed workers who are misclassified and denied employment rights as such sick pay, minimum wage, holiday pay etc.</p>
Contacts	http://www.gmb.org.uk
Sources	http://www.gmb.org.uk/campaigns/uber/overview
Metadata and key words for online search	Uber, self-employed, employment status

