



# Special instruments to tackle undeclared work in goods transport by light commercial vehicles (LCVs)

## The Netherlands


	<p><b>Summary</b></p> <p>The Parcel and couriers' project (2021-2022) examined the extent of under-declared work in the four largest parcel service providers, showcasing the special instruments used to tackle under-declared work in goods transport by light commercial vehicles. With the help of employee handheld devices, discrepancies can be spotted between actual time worked by delivery drivers and other data on billing and revenues from the (sub)contractor.</p>
<p><b>Title of the practice in original language</b></p>	<p><i>Project Pakket en Koeriers</i></p>
<p><b>Name(s) of authorities/bodies/organisations involved</b></p>	<ul style="list-style-type: none"> <li>▶ Human Environment and Transport Inspectorate (<i>De Inspectie Leefomgeving en Transport, ILT</i>);</li> <li>▶ The labour inspectorate (<i>the Netherlands Labour Authority/Dutch Labour Inspectorate Nederlandse Arbeidsinspectie</i>);</li> <li>▶ The Police (<i>Politie</i>).</li> </ul>
<p><b>Sectors</b></p>	<p>Transport and storage</p>
<p><b>Target groups</b></p>	<ul style="list-style-type: none"> <li>▶ Goods transport companies and operators (directly targeted);</li> <li>▶ Parcel delivery industry employers (directly targeted);</li> <li>▶ Parcel delivery couriers/workers involved in under-declared work (indirectly targeted).</li> </ul>
<p><b>Purpose of measure</b></p>	<p>Deterrence: improve detection</p>

	<p><b>Aims and objectives</b></p> <p>To improve detection of under-declared work digital monitoring is now used in the parcel delivery sector. In cases where violations are suspected, information obtained from couriers' handheld devices can help labour inspectors to detect actual violations by comparing actual</p>
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	<p>journeys undertaken by parcel couriers against other billing and revenue data.</p>
<p><b>Background context</b></p>	<ul style="list-style-type: none"> <li>▶ Since 2012 total revenue for the parcel delivery industry in the Netherlands grew steadily.<sup>i</sup></li> <li>▶ Between 2017 and 2019, the labour inspectorate carried out checks and inspections of parcel service providers and found many abuses including undeclared and under-declared work;<sup>ii</sup></li> <li>▶ In recent years, the labour inspectorate has put pressure on parcel services through a chain approach aimed at better compliance with fair work rules for service providers and all (sub)contractors working for them.<sup>iii</sup></li> <li>▶ The Parcel and couriers' project investigated the four largest parcel companies to examine the extent of undeclared or under-declared work;<sup>iv</sup></li> <li>▶ Specific tools and documents are used to identify and provide information about companies involved in the transport chain and to clarify liability claims and under-declared work (e.g., unpaid social security contributions, etc.).<sup>v,vi</sup> Every parcel courier in the express and parcel delivery sector uses a so-called 'handheld' device providing the ability to digitally monitor the movement of parcels and exact time of arrival of couriers at the customer's address. This practice is ongoing.</li> </ul>
<p><b>Key objectives of the measure</b></p>	<p><b>General objective:</b></p> <ul style="list-style-type: none"> <li>▶ To combat underpayment and illegal employment of workers within the parcel and courier sector;<sup>vii</sup></li> <li>▶ To improve detection of under-declared work through digital monitoring in the parcel delivery sector.</li> </ul> <p><b>Specific objectives:</b></p> <ul style="list-style-type: none"> <li>▶ To use digital monitoring tools to trace the chain or the subcontractor's direct employer to identify where liability lies.</li> </ul>
<p><b>Main activities</b></p>	<ul style="list-style-type: none"> <li>▶ Every parcel delivery courier uses a handheld device provided by the principal contractor/client which contains all relevant data to optimise the delivery process. The handheld device is given to the courier in person and is owned by the client;</li> <li>▶ The data gives information on the timeframes of all deliveries, couriers' trajectories from the sorting centre to the delivery address,</li> </ul>

	<p>customers, transport operators (subcontractors) involved in the delivery of the parcels and the couriers' employment;</p> <ul style="list-style-type: none"> <li>▶ The device provides valuable information on, for example, the journeys driven by the parcel deliverer that can be compared to other data on billing and revenues from the (sub)contractor, providing a comprehensive picture of the principals, subcontractor's business activities, legal employment and tax law obligation, allowing authorities to spot discrepancies;</li> <li>▶ During labour inspections at the premises of the subcontractor distributing parcels on behalf of the principal client, if undeclared or under-declared work is suspected, the labour inspectorate has the legal right to access this data, to trace the chain and find out about the courier's direct employer and the employer's contractor/client;</li> <li>▶ During inspections, if undeclared work is detected after checking with other databases, companies (clients) can incur fines of up to EUR 8 000 for violations.</li> </ul>
<p><b>Funding/organisational resources</b></p>	<ul style="list-style-type: none"> <li>▶ The Parcels and couriers' project was conducted by the labour inspectorate and funded by the Dutch Government;</li> <li>▶ The steering group for tackling economic crime supervises the progress of implementing the action plan. It also evaluates the need for changes in the plan and reports on the implementation to the Ministerial Committee on Economic Policy annually.</li> </ul>

	<p><b>Outcomes</b></p> <p>With the help of the handheld devices, it was revealed during 2021-2022 impact study that at least 40% of workers in the parcel chain are involved in undeclared or under-declared work. As a result of the labour inspectorate's interventions, 60% of subcontractors have indicated that their principal clients have become stricter in their control measures.</p>
<p><b>Achievement of objectives</b></p>	<ul style="list-style-type: none"> <li>▶ With the help of data from the handheld devices, the information obtained from the parcels and couriers' project, when compared to government income files, showed that in many cases no employment relationship had been registered.</li> <li>▶ Investigations also revealed that the "employees" in question were not self-employed. With the help of the handheld device, it was discovered that at least 40% of the workers in the parcel chain work in an undeclared or under-declared manner;</li> </ul>

	<ul style="list-style-type: none"> <li>▶ The measure has resulted in the relevant trade unions changing their internal policies and companies modifying their protocols to prevent undeclared work. They conduct audits and regularly check the couriers to ensure that the correct paperwork is in place and couriers are correctly registered with their employers;</li> <li>▶ The mix of activities by the labour inspectorate has resulted in improvement in the control of supply chains and improved compliance with legal requirements for fair work in the parcel delivery service sector;</li> <li>▶ Almost 60% of subcontractors have indicated that their principal clients have become stricter in their control measures;</li> <li>▶ The four largest parcel service providers have taken measures to ensure fairer work within the parcel and courier sector.<sup>viii</sup></li> </ul>
<b>Lessons learnt and success factors</b>	<ul style="list-style-type: none"> <li>▶ Frequent inspections by the labour inspectorate, internal discussions, the use of enforcement tools, and publicity campaigns have resulted in improved control measures in the sector;<sup>ix</sup></li> <li>▶ Due to the risk that measures taken may not succeed, it is important for the labour inspectorate to continue to carry out checks in this sector.<sup>x</sup></li> </ul>
<b>Transferability</b>	<ul style="list-style-type: none"> <li>▶ As similar business models and systems of tracking and tracing delivery routes are deployed by parcel delivery companies all over Europe, this tool has the potential to be replicated in other Member States.</li> </ul>

## Further information

### Contact

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### Useful sources and resources

#### Chain Approach Parcel Services - Impact Study 2022:

[effectonderzoek-ketenaanpak-pakketdiensten-20221221.pdf](#)

#### Transport and logistics programme in 2022:

<https://www.nlarbeidsinspectie.nl/jaarplan-2022/programmas-in-2022/programma-transport-en-logistiek-in-2022>

<sup>i</sup> <http://www.statista.com/topics/7181/parcel-market-in-the-netherlands/#topicOverview>



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- ii Chain Approach Parcel Services: Impact Study 2022. Available at: <https://www.nlarbeidsinspectie.nl/binaries/nlarbeidsinspectie/documenten/rapporten/2022/12/21/effectonderzoek-ketenaanpak-pakketdiensten/effectonderzoek-ketenaanpak-pakketdiensten-20221221.pdf>  
Dutch Labour Inspectorate: <https://www.nlarbeidsinspectie.nl/publicaties/rapporten/2022/12/21/effectonderzoek-ketenaanpak-pakketdiensten>
- iii Chain Approach Parcel Services: Impact Study 2022. Available at: <https://www.nlarbeidsinspectie.nl/binaries/nlarbeidsinspectie/documenten/rapporten/2022/12/21/effectonderzoek-ketenaanpak-pakketdiensten/effectonderzoek-ketenaanpak-pakketdiensten-20221221.pdf>
- iv Ibid.
- v Subcontractor liability ensures that a company (the principal contractor or client) who accepts a contract and then subcontracts it to another entity is *jointly and severally liable*, i.e., the principal company acts as guarantor for social security contributions that the subcontractor must pay to the relevant government authority.
- vi The statutory minimum wage and holiday allowance applies to all those working for a company. Since 2018, the legal minimum wage applies to parcel deliverers who have an assignment agreement (OVO) or other reward agreement (i.e., these are not employment contracts). More information available at: [Parcel deliverers | Dutch Labour Inspectorate \(nlarbeidsinspectie.nl\)](#)
- vii Transport and Logistics Programme in 2022. Available at: <https://www.nlarbeidsinspectie.nl/jaarplan-2022/programmas-in-2022/programma-transport-en-logistiek-in-2022>
- viii Dutch Labour Inspectorate (2022), *Measures for parcel service providers to work more fairly*, December 2022. Available at: [Measures for parcel service providers to work more fairly | News | Dutch Labour Inspectorate \(nlarbeidsinspectie.nl\)](#)
- ix Ibid.
- x Ibid.