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Government Responses to the Platform Economy: Where do we stand?

Karolien Lenaerts, Miroslav Beblavý & Zachary Kilhoffer

Summary

The introduction of the platform economy in Europe has sparked debate on the challenges it raises for workers, companies, social partners, governments and other stakeholders, and how these challenges can be addressed. This paper assesses government responses to the platform economy in seven EU countries: Belgium, Denmark, France, Germany, Hungary, Slovakia and Spain. It shows that, owing to the lack of a specific framework governing the platform economy, countries generally attempt to apply existing legislation, regulations and policies to the new challenges that the platform economy brings. This holds for the status of workers, working conditions, and industrial relations and social dialogue. Nevertheless, this strategy is not necessarily successful. The status of platform workers, for example, remains unclear in most member states. Some member states consider all platform workers to be self-employed, while in other member states, their status is much more dependent on the specific circumstances. There seems to be little debate on the idea of introducing a new status in the countries studied. On working conditions, the results confirm that most countries have applied the existing framework to platform work. In many of the member states, this has turned out to be problematic in several dimensions (e.g. taxation and social protection). In the area of industrial relations and social dialogue, there is much less evidence of specific actions or initiatives.

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1. Introduction

With the introduction of the platform economy in Europe, policy-makers are confronted with new types of work and new business models that are radically different from traditional forms. With Uber as one of the pioneers and other platforms developing at a fast pace, the platform economy turned into a much-debated topic in just a couple of months. From the start, the potential impact of platforms on other actors, especially local actors, raised concerns. Taxi drivers in cities across the EU protested against Uber, while the developments across the Atlantic, in cities such as San Francisco and New York, further fuelled the debate.

Accordingly, when the platform economy first started to gain ground in the EU, policy-makers were under great pressure to act quickly (Maselli et al., 2016). Different actors called on governments to implement legislation out of concern for the workers involved as well as for the companies entering into competition with platforms, emphasising the need for a level playing field. However, there were also actors pleading for caution, arguing that moving too quickly could hamper innovation (Maselli et al., 2016).

Since then, the advancement of the platform economy has accelerated and, despite its limited size, the platform economy has become widespread (especially in some sectors). As a consequence, governments have started to respond, as reflected in a growing number of policy documents, discussions and initiatives. Especially regional and local governments have been active, being at the forefront of the debate. In the last two years, the platform economy has also been taken up as part of the European policy agenda. On 2 June 2016, the European Commission published a Communication entitled “A European agenda for the collaborative economy”, which was highly anticipated in light of the vivid public debates and the calls for action launched by a number of

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governments, social partners and interest groups. Just last month, the European Parliament adopted two reports on online platforms and the collaborative economy.

Notwithstanding the EU-level interest and efforts, the platform economy has principally posed challenges for national, regional and local governments. Therefore, it is highly relevant to gain more insight into the (potential) policy approaches and priorities of national governments. Although the role of the government in the platform economy has been subject to debate, there is little evidence on how governments have approached the platform economy's rapid advancement and the opportunities and challenges that it brings. While some case examples do exist – consider the city of Amsterdam or the city of Barcelona's reactions to the rise of Airbnb, for example – most evidence is anecdotal in nature.

In this Policy Insight, the state-of-play of government responses to the platform economy is assessed. The focus is on seven EU member states: Belgium, Denmark, France, Germany, Hungary, Slovakia and Spain. This assessment is part of a much larger examination of the current state-of-play on industrial relations and social dialogue in the platform economy and of the initiatives taken by workers, platforms, traditional social partners, new intermediaries and the government (in general and for three sectors in which the platform economy has strongly developed – transportation, accommodation and microwork). Special attention is devoted to the status of platform workers, working conditions and industrial relations and social dialogue, with the aim of better understanding government strategies and priorities in the context of platform work. In this assessment, a cross-country perspective is taken.

Previous studies have argued that many governments are in the early stages of formulating their response to the platform economy (De Groen et al., 2017; Dølvik & Jesnes, 2017). The reason is that governments are still in the stage of attempting to fully grasp the phenomenon and its implications for all parties involved. Considering the fast pace with which the platform economy is developing, this is not very surprising (see also Holmes & McGuinty, 2015, who raise this point for technological advancements more generally). This applies even more so in a context such as the platform economy, where different levels and departments of government are involved.

Based on their work for eight EU countries, De Groen et al. (2017) find that government responses to the platform economy are generally narrow in scope, reactive and concentrated on dealing with side effects rather than attempting to reap potential benefits. This is an interesting point, in light of the European Commission's 2016 Communication, which emphasises both the risks and opportunities associated with the platform economy. Similarly, Dølvik & Jesnes (2017) report that the platform economy has only just been added to the public agenda. In the Nordic countries, for example, the platform economy was first introduced on the public agenda in late 2014, when Uber started operating in the region (Dølvik & Jesnes, 2017). In this paper, these results are taken into consideration.

The research approach used for this analysis is based on an extensive review of the current literature, which includes academic as well as policy publications, formal government decisions and measures, court cases, actions by labour or social affairs inspectorates, initiatives by social partners and any document published by another stakeholder.

2. What frameworks apply to the platform economy?

Since the platform economy emerged in Europe, there has been an ongoing debate on whether and how it should be regulated. This debate is highly polarised between those in favour of regulation (e.g. Rauch & Schleicher, 2015) and those who are against it (e.g. Sundararajan, 2014) (for details, see Codagnone & Martens, 2016). Those defending regulation argue that it is required to ensure consumers' protection and safety (Miller, 2014; 2015), while others maintain that regulatory failures are more expensive than the market failures they set out to address (Allen & Berg, 2014). Many have listed specific areas in which further regulation would be necessary or welcomed. Self-regulation of platforms has also been explored in the literature (e.g. use of certification and reputation mechanisms) (Codagnone & Martens, 2016). While there is a growing consensus that government action would be required, the challenge lies in approaching this in such a way that the downsides of the platform economy can be tackled while at the same time the opportunities that it brings can be pursued (Maselli et al., 2016).

Yet formulating an answer to the question of regulation is more complicated than it may initially seem. One reason is that there still is no common understanding of the platform economy, despite the number of recent reports that have put forward definitions or conceptualisations. Also, the precise implications of the platform economy remain largely ambiguous. Another point is that the platform economy is advancing at a fast pace, and therefore regulating it would involve dealing with "a moving target" (Munkøe, 2017). Related to this, the platform economy is not developing evenly (with a proliferation of platforms in some sectors and hardly any presence in others). Munkøe (2017) points out that this severely complicates policy-making, as it means that a balance between devising very specific policies (with a risk of hampering innovation and creating lock-ins) and broader policies (with the risk of missing the target) has to be achieved. Because of all these reasons, regulating the platform economy is not a straightforward task.

In Europe, the most common approach taken by governments involves applying the legal, regulatory and policy frameworks that are already in place to the platform economy. In none of the countries studied is there a specific framework or guidelines covering the platform economy as such. This approach could be motivated by the 2016 Commission Communication (see European Commission, 2016), which recognises that existing frameworks should indeed apply to the platform economy, in particular in relation to market access, consumer protection, taxation, labour law and other domains. As a result, one can expect that government responses to the platform economy are quite diverse across the EU member states, reflecting the ample diversity in the existing national frameworks.

Nevertheless, it is increasingly becoming clear that simply applying the current framework to the platform economy is not a feasible approach. While this solution may work well in the short run, in the long run it is likely unsustainable. Furthermore, such a reactive response may not fully allow governments to reap the benefits that the platform economy brings. Moreover, the new types of work that have arisen as part of the platform economy present only one example of new employment forms that have emerged from digitalisation. National governments could, therefore, develop a strategy towards digitalisation that also incorporates their strategy towards the platform economy, rather than adopting policy measures specific to the platform economy alone.

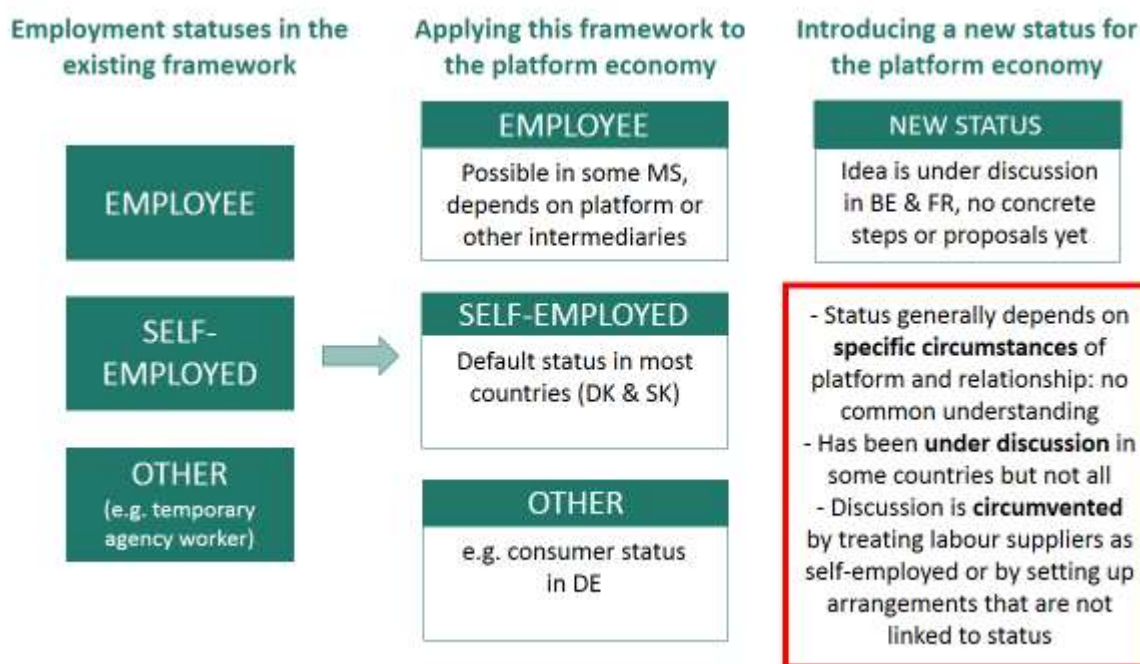
In this assessment, the focus is on the legislative, regulatory and policy responses that national governments have adopted in relation to the labour conditions and relations. In this vein, the status of those working in the platform economy is a first question that needs to be addressed, because it determines what legislation, rules and policies apply as well as which actors are involved in the implementation of the framework.

3. Status of platform workers and platforms

3.1 Status of platform workers: Employees, self-employed or another status?

Among the key issues identified in the European Commission's 2016 Communication is the *status of those who work in the platform economy*. Along with the emergence of online platforms, there are ample new employment opportunities that come with work relationships that are often radically different in nature from traditional, linear employment relationships. As a result, work relationships are less clearly defined, which makes it difficult to distinguish employees from self-employed workers or other types of workers – the types that are traditionally recognised in many member states. Yet, trying to fit platform workers into one of these boxes may prove to be very challenging. Against this background, there also has been a good deal of debate on whether a new status is needed for platform workers. In addition, the discussion on the status of platform workers is inseparable from that on the status of the platforms themselves. The findings of the country analyses are summarised in Figure 1 below.

Figure 1. Employment statuses in the traditional and the platform economy in the seven countries



Source: Authors' own elaboration.

In the following subsections, further details are provided. Before delving into these sections, it is important to reiterate that the status of platform workers is a central piece of the puzzle, as it affects what kinds of legislation and regulation are relevant to the circumstances studied.

3.1.1 What is the issue and what are its causes?

The country analyses carried out in the seven member states confirm that there is no common understanding or approach to establish the status of those working in the platform economy. This can be explained, at least in part, by the substantial heterogeneity that characterises the platform economy. The vast diversity in terms of the tasks and activities performed, the level and types of skills required, and the relationships between workers, platforms and employers, indeed makes it much more difficult to draw a conclusion on workers' status that would be generally applicable. Another point is that platform work has developed particularly in sectors where informal activity is more common, which is a further complication.

As there is no specific framework to establish the status of a person working in the platform economy, countries are simply applying the existing framework to platform workers, with mixed outcomes. In some countries, court rulings have also provided guidance on how to interpret workers' status.

Thus, countries fall back on the existing framework of laws, policies and regulations, and attempt to apply it to the platform economy. Whereas some governments have taken a clear stance on how platform workers should be regarded (e.g. in Slovakia, where platform workers by default are viewed as self-employed), other governments have opted for an approach that circumvents the issue altogether. An example of the latter is found in Belgium, where the legal employment status of a person does not necessarily matter as long as they earn less than a certain amount by working on an online platform. If a person earns more, however, then they need to be registered as self-employed.

In many countries, a mixed approach is used, meaning that the platform workers' status is determined on a case-by-case basis – much like workers' status is established in more traditional settings. In Hungary, for example, platform workers are either self-employed small entrepreneurs or service providers registered as natural persons. In only a minority of cases, platform workers have the status of employees with an employment contract. In Denmark, platform workers are generally regarded as self-employed. There, it is the task of the central tax administration to determine whether the self-employed are taxed as employees or employers (e.g. a self-employed worker with only one employer is regarded as an employee). In the German case, platform workers could be categorised as self-employed, employees or even consumers, depending on a set of conditions (e.g. regular or irregular use of the platform). For France and Belgium, the concept of subordination also comes into play. In France, for example, subordination is determined by means of a tripartite categorisation of control: the power to direct, power to control and power to sanction. Only if workers fall out of all three of these categories, would they not be qualified as employees (IGAS, 2016). Should these criteria be applied to the platform economy, then workers could be regarded as employees unless they are free to accept or refuse to provide a service, do not receive directions or instructions and cannot receive sanctions (even for misconduct) (IGAS, 2016). Note, however, that there has not yet been a court case to determine whether applying these conditions to the platform economy is legally acceptable.

Another layer of complexity is introduced by sector dynamics: some member states have specific statutes that are only found in specific sectors, such as *transportation*. This, in turn, has an impact on status in the platform economy. In Hungary, for example, Uber drivers should be registered as self-employed, but drivers offering commuting services between towns are considered natural persons without registration and taxation obligations (in contrast to the self-employed). In Spain, BlablaCar drivers are not seen as employees. For Uber, the case is different: under VTC¹ law, Uber drivers should be employed by the owner of the VTC license or be part of a cooperative (Uber has indicated its drivers are self-employed). The *accommodation sector* also brings examples. In Hungary, those who engage in short-term renting activities are somewhat free to decide between acting as a natural person, a self-employed or employed worker through a micro or small business registered for rental activities. In Spain, a distinction can be made between people who earn capital income by renting out their apartment or home (legal homeowners) and people who perform services (who typically are employees working for a specialised or multi-service firm).

Sector dynamics further complicate the analysis of platform workers' status, due to the specific rules and regulations that apply. Examples can be found in the transportation and accommodation sectors. One example relates to Hungary, where Uber drivers are regarded as self-employed whereas drivers offering commuting services between towns are not.

In some EU member states there are court rulings that set how platform workers' status or relation to the platform should be interpreted. Note, however, that such cases are generally very specific, taking into consideration the specificities of a single worker–platform relationship. Nevertheless, many countries are still waiting for guidance from the Court of Justice of the European Union, pending a ruling on a case brought before the Court in light of a Spanish case filed against Uber in Commercial Court No. 3 of Barcelona.

An interesting result that emerged from the country analyses is that there may be incentives not to find a solution to the problem. An unclear status may be beneficial for platforms, as it allows them to escape the responsibilities an employer would have, as well as for workers, who similarly may use it as an excuse to avoid paying taxes. Also for governments, there may be incentives to treat platform workers' status as 'undetermined'. Governments may take advantage of this issue, like in Denmark, where public authorities have made judgements on individuals' status and used it to exclude them from social benefits while paying certain taxes.

From this overview of the discussions in the seven member states, it is clear that no consensus has been reached on what the status of platform workers is. Even within countries, there is variation as a result of sector dynamics. On the one hand, this means a case-by-case approach has merit. On the other hand, a more comprehensive, structured approach to the issue would also be valuable, as it is more transparent and aids platform workers in understanding their rights and obligations.

¹ VTC refers to transportation vehicle with a driver.

3.1.2 Introducing a new status for platform workers?

Despite the vivid public debate on the need to introduce a new status, at the policy level this issue is not a public policy priority.

Although the idea of introducing a *new status for platform workers* has been put forward in the public debate, it has not been given much serious consideration at the government level. In this assessment of seven EU member states, only two have delved into it (Belgium and France). In a third country, Spain, law firms have started to discuss a proposal for creating a legal framework for

individuals who are self-employed but working under the auspices of someone else. No results have been achieved at this stage.

The first example is Belgium, where Kris Peeters, the minister for employment, economy, consumer affairs and foreign trade, announced in his “General Policy Note on Employment” (Algemene Beleidsnota Werk) of 28 October 2016 that attention should be devoted to the possibility of introducing a new status for platform workers. More specifically, this new status could be ‘autonomous employee’ (who would be less (more) protected than traditional employees (self-employed), but also have more (less) autonomy). The underlying aim of this exercise would be not only to clarify the employment status of platform workers, but also to have an impact on other workers outside the platform economy whose status is unclear. As discussion of the idea is set to take place over the course of 2017, no concrete proposals or steps have been taken yet.

In France, a similar approach has been adopted. The idea of introducing a new status is being considered as a solution to address issues that arise for other types of employment that fall outside the traditional categorisations. In the French case, it is the labour inspectorate that examined the idea of introducing a new status and arrived at the conclusion that this would not be needed, as the existing models should already cover the activities and relationships found in the platform economy. In sum, there is little support at the governmental level for the idea of introducing a new status.

3.2 Status of platforms: Intermediaries or employers?

In a similar manner, the status of platforms has sparked heated debates on the question of whether they should be considered intermediaries or employers. As before, the considerable diversity among platforms makes it impossible to formulate a single answer. Most online platforms that operate in Europe claim to be intermediaries, bringing together labour demand and supply. In a few cases, platform workers can choose to become employees, such as Deliveroo bikers in Belgium, which effectively makes the platform an employer. Such examples, however, are exceptions rather than the rule.

Of the countries analysed, especially in Belgium, Denmark and France, there has been discussion at the level of government and public authorities of what the role of online platforms is. In France, this question was taken up by the labour inspectorate in a recently published report. In the report, there is a proposal to establish a labelling system for platforms that would enable their status to be clarified (IGAS, 2016). In the case of Denmark, the tax authorities have attempted to clarify the role of platforms. Also in Belgium, the tax authorities have been active in this regard: online platforms

can officially register with the tax authorities and provide them with information on workers and their activities. While it would be difficult to settle the debate and determine the role that platforms play, the further exploration and establishment of the role of platforms may prove to be fundamental going forward.

4. Working conditions in the platform economy

Due to the lack of a specific framework regulating work in the platform economy, countries generally rely on their existing framework governing working conditions, and again these are rather diverse across Europe.² The existing framework, however, is not necessarily adequate to deal with the challenges of the platform economy. In fact, some have argued that it is not equipped to respond to the challenges of digitalisation in general (De Groen et al., 2017).

The debate on working conditions in the platform economy has taken different forms across the countries studied. In the majority of the countries, working conditions have received the attention of policy-makers, social partners and other stakeholders (as is evidenced by policy documents, court cases, reports from social partners or parliamentary questions). Germany and France especially appear to be the frontrunners in this domain. In Germany, there have been a number of parliamentary questions on the platform economy (some of which have related to working conditions). In Belgium and Denmark as well, the topic has been discussed in parliament. In many countries, there have been a number of court cases on the platform economy, though not all of these cases have specifically addressed working conditions. Labour or social affairs inspectorates have only been involved in a few cases. In Slovakia, labour inspectorates have been particularly active, checking whether Uber drivers are complying with the taxi sector regulations. In Belgium and Spain, inspectorates are closely observing the developments of the platform economy but have hesitated to act due to the unclear status of the workers involved. In terms of topics under discussion, social security and taxation are predominant.

Social protection of platform workers is a much-debated topic. Especially the link between platform work and social security contributions and benefits has given rise to discussion. Countries are taking measures to deal with these challenges not only for platform work but also for other types of employment (e.g. self-employment).

Social protection of platform workers has raised concerns in the academic and policy fields, and in the countries analysed, it has been subject to debate. A particularly interesting case is Denmark, where there have been severe tensions between platform work and accessing rights to social security benefits. This has been the subject of several court cases. One case related to carrying out platform-based work (on Happy Helper) while receiving a state education grant. A second case was about entitlement to unemployment benefits in relation to renting out a car through the GoMore platform. In this case, an unemployed individual was refused unemployment benefits as his unemployment insurance fund decided that he was not available for the Danish labour market. In both court cases, the ruling was in favour of the platform worker.

² In Denmark, for example wages and working conditions are generally set in collective agreements, while in Germany legislation and case law are more relevant. Another key point is that the institutional structure is rather complex, e.g. for Belgium and Spain.

Also in France, social protection has been high on the agenda. The country's social security system provides broad coverage but there are disparities between those who are self-employed and those who are employees (in terms of access, the level of certain benefits and contributions to be paid). Examples are the amount of family and illness coverage and eligibility for unemployment benefits. That notwithstanding, the working conditions of platform workers are not well-documented and their wages and working hours have raised concerns. Similarly, work-related accidents are also being discussed.

Another frequently discussed topic is *taxation*. Here again, the example of Denmark is relevant. Foreign-owned platforms without an office in Denmark are not obliged to report any type of income to the tax authorities. This has caused problems, as much platform work-based income remains undeclared as a result. For individuals, the rule stipulates that capital income needs to be declared by the person who earned it. Similarly, for labour income, the individual who earned it is obliged to declare it to the tax authorities (and as this person is considered self-employed in the current setting, this also means that VAT needs to be paid if the individual is registered).

Taxation has been a policy priority in many countries and is sometimes used as a lever to tackle other concerns.

The Belgian case is interesting as well. Taxation is used as a lever to overcome some of the issues related to the platform economy. Recently, the Belgian federal government introduced a special fiscal regime for platform workers (in early 2017). In the regime, a distinction is made between labour and capital income. For labour income below €5,100, a corporate income tax of 10% is applied. As long as the income gained through work activities does not surpass this cut-off, no VAT or social contributions are charged. Otherwise, workers have to register as self-employed. The regime only applies to work activities carried out through platforms that have been officially recognised by the Belgian federal government. For income gained through accommodation, there are different rules (and then generally city taxes apply).

Sector-specific legislation and regulations matter. In many countries, the taxi sector, for example, is strictly regulated. The question is whether these regulations should also apply to transportation organised through an online platform, like Uber.

From the analyses, it became clear that especially the *transportation* sector is heavily regulated in terms of working conditions, much more so than the accommodation and microwork sectors in most of the member states. Here, the issue of *competition* becomes relevant. In Spain, for example, transportation services carried out through online platforms are only allowed if this occurs through VTCs. VTCs are strictly regulated by collective agreements, royal decrees and laws, which impose rather strict rules on several aspects, including the size and age of the vehicle. In addition, drivers must either be

registered as self-employed or be employed by the owner of the license to operate a VTC. In the latter case, the owner is responsible for making sure that drivers are added to the social security rolls. In Hungary as well, transportation is heavily regulated – especially local transport like taxis. In Slovakia, general regulations on road passenger transport also cover the platform economy. As a result, drivers would need to have a specific license, their car would need to be marked as a taxi, etc.

For *accommodation*, again different rules apply. In the Spanish case, platform workers typically are either covered as employees in multi-service firms or as workers in temporary work agencies. Belgian law stipulates that income taxes apply to income gained through Airbnb (where labour income is treated in a different way from capital income), in addition to VAT and tourism taxes (these are organised at the local and regional levels and therefore may differ depending on the specific location). Both the Brussels region and Flanders have revised their tourism accommodation rules in response to challenges related to Airbnb. In Denmark, there is a tax exemption for income earned by renting out an apartment or house if it is below 24,000 DKR. However, different rules apply depending on whether you are the owner or renter of the apartment or house and whether it is a summerhouse. In Slovakia and Hungary, taxation rules generally apply in the accommodation sector.

5. Industrial relations and social dialogue in the platform economy

One of the most interesting results that follows from the country analyses is that none of the member states hold industrial relations and social dialogue in the platform economy high on the agenda. In most countries, there was no real discussion on the topic, no government initiatives, no court cases and no legislative or regulatory responses. In some countries, social partners have taken up the issue. Examples are Belgium, France and Slovakia. Also in Germany, traditional social partners are active and have reached out to platform workers (e.g. IG Metall). Note that the most significant collective actions to date have been organised by those operating outside the platform economy (e.g. taxi drivers and their representation in opposition to Uber), rather than by those within it.


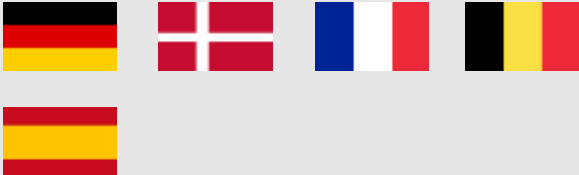




Not much has happened when it comes to industrial relations and social dialogue in the platform economy so far – besides a small number of specific initiatives and examples – so a good deal of work is still ahead in this domain.

How should these results be interpreted and explained? One possible explanation relates to the status of platform workers: while in some countries their status is unknown or unclear, in other countries they are regarded as self-employed (which is why they are generally not represented). A related point is that little is known about who the workers are and how they can be united. Competitive laws preventing self-employed workers from uniting may also pose a substantial barrier. A third potential explanation is that other issues pertaining to the platform economy and platform work, such as those in the areas of competition, taxation or social security, are deemed more pressing. Nevertheless, it has to be acknowledged that these topics are also dealt with in the context of social dialogue, with the social partners playing an essential role. Given that collective agreements are essential in governing many aspects of the labour market, it is likely that industrial relations and social dialogue will increase in significance in the future. A final point could be the currently limited size of the platform economy. As a result, social partners may be inclined to focus on the representation of those working in new, highly flexible employment forms more generally, extending beyond workers in the platform economy. In this regard, it is important to note that platform workers typically combine several types of activities and therefore may already be represented.

6. Government strategies and priorities in relation to the platform economy

This section summarises and integrates the findings on government priorities and strategies in terms of working conditions and industrial relations in the platform economy. Considering that none of the seven examined countries has a specific legislative and regulatory framework governing working conditions and industrial relations for platform work, all have fallen back on their existing framework – attempting to apply it to the platform economy with mixed results. This also implies that, in line with the heterogeneity of platforms and platform work, there is a wide heterogeneity in the government responses, priorities and strategies applied. Although more details on the diverse approaches and responses have been provided above, the main findings are summarised by means of the visualisation in Table 1.

Table 1. Government priorities and strategies for responding to the challenges and opportunities of the platform economy

Strategies	Priorities
Explicit strategy/responses: 	Taxation: 
Implicit or no strategy/responses: 	Social security: 
	Labour concerns/status: 
	Competition/sector-specific regulation: 
	Other: Urbanism (Spain) Entrepreneurship (Belgium)

Source: Authors' own elaboration.

Governments have taken different approaches in their response to the rise and development of the platform economy. Some have developed explicit strategies, while others have implicit or no strategies. In some member states, governments have expressed their support for the platform economy, launching measures to encourage its development (e.g. Belgium). In other member states, the approach has been the opposite, aiming to reduce the scope of the platform economy (e.g. Spain). Finally, there are also member states where the government has taken a neutral position (e.g. Hungary). Yet, these different views are not necessarily reflected in the strategies and initiatives that have been developed and implemented. For example, while the platform economy has clearly attracted the attention of policy-makers and social partners in Germany, far less has happened in Slovakia and Belgium (despite the government's favourable view in the latter).

While different strategies and views could result from different perceptions of threats and of divergences in labour market rigidities, this assumption does not necessarily hold. Moreover, countries with a rather complicated and multi-layered system of government, industrial relations and social dialogue appear to be slower in taking steps to incorporate the platform economy. A related factor to account for is that local governments are the ones faced with the disruptive side of the platform economy the most (the examples of Airbnb and Uber are good illustrations of this). Still, laws and regulations are commonly established at higher levels of government. This implies that cooperation and exchange of information is necessary, both of which become more complicated the more layered the system is.

Governments differ not only in terms of their broad perspective towards the platform economy, but also in terms of the specific domains they focus on and the policy instruments used. Certain sectors – notably the transportation sector and, to a lesser extent, the accommodation sector – have fuelled the debate and even resulted in court cases. Taxation in particular has been used as a lever in many member states (e.g. Belgium, Denmark and Germany). The angle of social protection has been pursued notably in Germany, France and Denmark. The Spanish, German and Slovak governments have also emphasised the competition angle, while other countries have likewise begun to address issues related to it. In Belgium, the potential role of platforms in encouraging entrepreneurship has been recognised.

In sum, Denmark, Germany and France have taken a more comprehensive approach to the platform economy. Moreover, despite the many angles and the variety of policy options that governments have pursued in their initial reactions to the platform economy, 'social protection' and 'taxation' appear to be the top concerns. On the one hand, it is not very surprising that countries differ in the speed and types of responses to the challenges of the platform economy. The national institutional context is crucial in understanding their response. In addition, the platform economy affects different policy domains and several interacting levels of government. It also involves both public and private actors. On the other hand, many of the challenges member states face are identical and could benefit from a shared approach.

What is striking among the 'different strategies' member states have employed is that of applying the old framework to the platform economy. There is no specific legislative or regulatory framework on working conditions, industrial relations and social dialogue in the platform economy in any of the member states studied. Still, some governments have proposed or taken measures to address issues related to it, which would also help in addressing issues outside it (e.g. pertaining to the self-

employed in general). In other words, potential solutions to platform economy challenges are sometimes also used as a lever to fix other problems.

7. Conclusions

With the further advancement of the platform economy, European governments will increasingly be faced with the challenges and opportunities that it brings. While some governments are aware of this issue and are introducing policy measures, others have taken less interest. Of the seven EU member states studied, governments have been most strongly involved in Denmark, France and Germany. In contrast, they have been less active in Hungary and Slovakia. For Belgium and Spain, the results are more mixed – which can be explained by the complexity of the political and institutional setting.

In adopting policy measures, member state governments have focused especially on issues related to social protection, taxation and competition, while social dialogue has been given far less attention. Yet, no specific framework of laws, regulations and policies pertaining to the platform economy is present in any of the countries examined. The measures that have been introduced appear to be fairly ad hoc. Moreover, governments generally attempt to apply the existing legislation and regulation to the platform economy, with ambiguous results.

The main issue that complicates policy-making in this domain is the high level of uncertainty and ambiguity that surrounds it. This becomes particularly clear when one considers the status of platform workers: to date, it remains largely undetermined what the status of platform workers is, which in turn makes it very difficult to establish the legal and regulatory framework that governs working conditions in the platform economy. This may result further in a catch-22 type of situation, in which a lack of response reinforces the lack of understanding and vice versa. Nevertheless, EU institutions are offering guidance as to how to deal with the platform economy. Governments can also draw inspiration from the policies and practices used elsewhere, bearing in mind the specificities of the institutional context that shapes their economies.

It has already become apparent that further efforts are necessary to clarify the phenomenon of the platform economy, its conditions and implications. At the same time, a consensus is emerging that governments can no longer just wait and see how the platform economy will develop. Due to its rapid development and the increasing number of actors taking part, governments will need to take a stance. In this regard, the upcoming years will be crucial in determining the development of the platform economy in Europe.

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