

Panel of Experts on the Platform Economy – Second meeting on 19 May 2017 Summary: Competition and tax

Background

To attend its meeting, the Panel of Experts on the Platform Economy had invited Margrethe Vestager, EU Commissioner for Competition, to discuss competition and Christl Kvam, State Secretary of the Norwegian Ministry of Labour and Social Affairs, to discuss tax issues.

General information

The development of new digital platforms challenges the Nordic welfare and agreement model in which growth and welfare have always been going hand in hand. The Nordic model is based on free and fair competition among large and small businesses where the financing of public welfare through direct and indirect taxation and collective agreements in the labour market are key prerequisites for a well-functioning labour market and high competitive strength.

Competition

Under section 6 of the Danish Competition Act and Article 101 of the Treaty on the Functioning of the European Union, any conclusion of agreements restricting competition is prohibited.

As a general rule, European and national competition law clearly disapproves of the conclusion of price agreements, but the actual possibilities should also be seen in the light of other circumstances, e.g. consumer rights and labour market conditions.

The Albany judgment of 1999 made it clear that collective agreements between the social partners are exempted from the competition rules. The organisation of independent sole proprietorships and the conclusion of price agreements are therefore not necessarily illegal.

Consequently, the challenge in relation to national and European competition law does not lie in making amendments to legislation but in ensuring a uniform interpretation across industries and national borders.

Margrethe Vestager therefore recommended that Danish and European competition authorities, in consultation with the social partners, specify the framework for concluding price agreements and organising independent sole proprietorships.

Tax

In common with the recommendations resulting from the inter-ministerial work on sharing economy in Norway, no special tax rules should be imposed on the digital platforms in Denmark. The challenges in relation to taxation should first of all be addressed by adapting existing legislation and developing technical solutions that embrace people in atypical employment / freelancers and platform economy businesses.

One of the solutions is to introduce a more automatic reporting and information duty for freelancers to ensure that relevant information and payments are automatically received by the tax authorities. A standardised automatic solution would also be able to eliminate the mistrust and scepticism associated with working on digital platforms and would contribute to legitimating the activities of platform economy businesses.

In connection with the development of technical tax reporting solutions, it is necessary to integrate this with the system for reporting of claims of supplementary unemployment benefits and maybe, at a later time, make it possible to integrate API solutions in relation to tax.

Terms of reference

The panel will map out how Denmark can make full use of growth and job opportunities through the platform economy and will also raise awareness of the future implications of the changes for Danish society and the labour market, in particular.

Objectives

- To present specific proposals for how Denmark can become a world leader in using the potential of the platform economy
- To raise awareness of the changes the platform economy creates for our society in general and our labour market in particular – and their impact on workers
- To analyse how the labour market and the Danish model are affected and secured in the platform economy
- To shed light on the types of jobs created by the platform economy

Over the course of 2017, the panel will discuss the development of the platform economy and expectations for future needs in the labour market and will present recommendations on how to strengthen the proliferation of the platform economy. The panel will meet for four theme sessions:

- 1) Digital platforms – new business models or an old business concept in new clothes?
- 2) Growth, tax and competition – between innovation and regulation
- 3) Digital platforms – and the social safety net
- 4) Digital task platforms ensuring proper working conditions – responsibility of trade unions

Members of HK's and Akademikerne's – Panel of Experts on the Platform Economy

Platform businesses

Michael Bugaj, Co-founder of Meploy
Alexia Nielsen, Senior Marketing Manager, Upwork
Mathias Linnemann, Worksome
Steffen Hedebrandt, Airtame, and former Country Manager of Upwork Norden

Experts

Martin von Haller, Lawyer specialised in IT law
Marie Jull Sørensen, Associate Professor at Aalborg University, Department of Law
Anna Ilsøe, Associate Professor at University of Copenhagen, FAOS
Bent Greve, Full Professor of Social Science at Roskilde University

Employee representatives

Geert Laier Christensen, Vice President, Confederation of Danish Enterprise
Katia Østergaard, CEO, HORESTA

Nordic representatives

Christl Kvam, State Secretary of the Ministry of Labour and Social Affairs, Norway
Fredrik Söderqvist, Chief Economist of Unionen, Sweden

Trade union representatives

Kent Pedersen, President, Financial Services Union Denmark
Lars Werge, President, Danish Union of Journalists
Lars Qvistgaard, President, Akademikerne
Kim Simonsen, President, HK
Nanna Højlund, Vice President, LO (Danish Confederation of Trade Unions)
Simon Tøgersen, President, HK/Private

Representative of unemployment insurance funds

Verner Sand Kirk, President, Unemployment Insurance Funds in Denmark