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Abstract

The present work aims to analyze the effect of labor reforms of employment protection on labor tax avoidance (LTA). Based on empirical studies related to tax avoidance and employment protection, the flexibility of labor reforms can lead to tax avoidance practices for social security contributions taking advantage on weak employment protection. Ravenda, Argilés-Bosch, & Valencia-Silva (2015) find consistent evidence that legally registered mafia firms (LMFs) are more involved in LTA than Lawful firms do. However, there is no evidence on the effect of level of employment protection on labor tax avoidance, so an analysis of the impact that these reforms cause to the tax authorities and the need to regulate them is carried out.

Keywords: Labor tax avoidance, employment protection, tax avoidance, social security contributions, labor market reform

1. Introduction

Nowadays, international labor agreements and reforms, encouraged by globalization and technology, have allowed firms cross borders through internationalization in pursuit of alternatives of flexible labor force. Innovation and technology are transforming firms in a way that makes employees, as subordinate workers, less necessary to hire, appealing to outsourcing figures. As a result, firms take advantages of this flexibilization in labor laws to avoid or reduce the payment of social security contribution to tax authorities. Therefore, new business models based have emerged based on "on-demand economy", "sharing economy", "gig economy" or "specific offline crowd work", connecting customers and firms directly with individual service providers (Todolí-Signes, 2017).

1.1. Research objective

This paper aims to empirically examine the Labor Tax Avoidance at firm level using financial statement information and the effects that labor policies may have on tax collection of fiscal authorities.

This work analyzes the effect of the employment protection on labor tax avoidance, because of the recent labor reforms in countries such as Spain, Italy and France, which
it is defined as the expenses evasion of employees’ social security contribution by employers. The study carried out by Ravenda, Argilés-Bosch, & Valencia-Silva (2015) on labor tax defines this concept more clearly as: “Labor tax consists of social security contributions and other insurances computed on gross wages of all employees that the employers are legally required to withhold and pay to tax authorities”.

1.2. Justification

The knowledge about the harmful effects of labor flexibilization due to regulatory changes in the labor reform in Spain can be an additional argument to detect and prevent the practice of labor tax avoidance. It also represents an improvement in the perception for workers and tax authorities on the results of labor tax avoidance when companies decide to make temporary contracts or undeclared work, keeping in mind the incidences of these avoidance practices and implementing control points to avoid them.

The economic literature has recognized that less employment protection should affect more labor tax avoidance since employers could use precarious and temporary contractual forms that allow them savings in social security or take advantage of government incentives to reduce these expenses, abusing these last ones like in countries such as Spain, Italy and France (Dell’Anno, Gómez-Antonio, & Pardo, 2007).

Labor reforms regulate factors as: precariousness, part-time work, high youth unemployment and offshoring manufacturing studied by Martin & Prokkola (2017), undeclared work by Ravenda et al. (2015), self-employment and outsourcing services by Todoli-Signes (2017), low-skilled labor market by Bucher (2010). Among others, the labor tax avoidance is strongly related to extent of employment protection in labor reforms. The study of this topic helps to understand in depth which is the effect of the flexibilization of labor market and its relation with labor tax avoidance.

1.3. Contributions

Within the contribution to knowledge, there are no previous studies in the literature that analyze tax avoidance in labor reforms and more specifically the employment protection and labor tax avoidance using financial statement information and the effects that may influence its labor policies in tax collection of fiscal authorities. Furthermore, this study contributes to the business literature due to that it adopts new labor tax avoidance measures that may enhance further research on their effectiveness in other cultural, legal, and institutional contexts and for other types of firms. Most importantly,
it can contribute to protecting employees against illegal exploitation and to avoiding tax revenue loss in the social security system.

The remainder of the paper is organized as follows. “Employment protection (EP): flexibilization of the labor market in the European Union” section introduces existing literature on employment protection; “Tax Avoidance (TV)” section motivates the research on tax avoidance; “Labor reforms in Spain” section explore the labor regulations in Spain; “Related Research and Hypothesis Development” section reviews the existing research and develops the hypothesis; “Research Design” section describes the research design and sample data; “Expected Results” section presents empirical results and the analysis of data; “Conclusions” section concludes the paper.

2. Literature review

2.1. Employment protection: flexibilization of the labor market in the European Union

The employment protection plays a very important role both for the public and private sectors. The usefulness of this topic works as a criterion to compare one country with another, in addition to reflecting its degree of development in particular. Therefore, it is necessary to develop an internationally recognized indicator that let simplify the process of evaluating the rate of employment protection in a country, and understand the criteria that should be used, summarizing the advantages and disadvantages of a country's labor policy (Otenko Pavlo, 2017).

The International Labour Organization (2002) define employment in an informal economy as “economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements” (cited in Adriana Florez & Perales, 2016), and The Organisation for Economic Cooperation and Development [OECD] (2002) define Employment protection as:

Employment protection refers both to regulations concerning hiring (e.g. rules favouring disadvantaged groups, conditions for using temporary or fixed-term contracts, training requirements) and firing (e.g. redundancy procedures, mandated
prenotification periods and severance payments, special requirements for collective dismissals and short-time work schemes).

This problem is recognized both in developing and developed countries where informal workers do not contribute to social security nor are protected by law, lacking of benefits such as access to unemployment insurance, health insurance system and retirement pensions. These informal workers are less skilled and productive, hampering economic growth by avoiding the payment of taxes. As a result, government incomes and their ability to protect workers are reduced. For this reason, long-standing policy objective is the reduction of informal work in developed and developing countries. (Adriana Florez & Perales, 2016).

Recent studies have found out a weakness in low employment protection hided in another side of the economy, called also informal Economy. The numerous and important effects on the lack in flexible labor reforms can reduce government incomes and distort official economic indicators as unemployment, income distribution, economic growth, etc. Thus, influencing public sector decisions on individual incentives and compensation factors. As a result, it has greatly increased in recent years an academic and political interest in OECD countries on labor reforms (Dell’Anno et al., 2007).

The reasons that encourage the diffusion of labor market flexibility can be found in the literature regarding the possible costs and benefits of employment protection legislation for workers with temporary contracts. Temporary employment have probable but opposing effects on productivity. According to Engellandt y Riphahn (2005) temporary contracts benefit labor reassignment processes caused by technology or demand increases that require faster adaptation and changes in job skills. The other is an incentive effect, in the event that temporary employees aspire to obtain indefinite positions. Therefore, these agreements are used for the selection of new employees (cited in Damiani, Pompei, & Ricci, 2016).

In addition, employers use temporary workers as a "buffer stock", since firms can easily adjust their workforce by varying the number of temporary contracts to respond rapidly to changes in demand and technology (Damiani et al., 2016).  

According to Okudaira, Takizawa, & Tsuru (2013) in order to the effect on firm productivity through market distortion, employment protection also plays the role of commitment control to extract employee efforts, affecting worker productivity. Belot et al. (2002) analyse the existence of an optimal degree of employment protection in a situation where this one gives employees a motivation to invest in relation-specific skills.
They conclude in their research that the ideal level of firing cost is larger than zero in most cases, which indicates the possibility that rigorous protection enhances productivity by improving firm-specific skill investment.

On the other hand, firing constraint may also induce opportunistic sabotage by employees when their effort level is unobservable. For example, Ichino and Riphahn (2005) affirm in their theoretical framework, that “lazy workers have an motivation to slack off and that this effect is aggravated when workers are strictly protected and firms’ monitoring no longer threatens them” (cited in Okudaira et al., 2013).

According to Ponzellini, Aumayr, & Wolf (2010) in case of hiring costs for permanent contracts, significant firing and weak employment protection for fixed-term positions, firms will prefer replacing new employees into temporary works or with mid-term contracts, irrespective of other workers’ skills, including education. Deregulation of temporary jobs may hence lead to a higher occurrence of temporary employment expected at reducing present and future labor costs, with consequent grown and expansion of informal skills gaps and, ultimately, an increase of the wage gap (cited in Perugini & Pompei, 2016).

Dell’Anno et al. (2007) adopted a quantitative method used to determine the size of the irregular economy by measuring indicators approaches and macroeconomic data, known as Multiple Indicators Multiple Causes (MIMIC) model. The MIMIC models contain four dependent causal variables such as unemployment, tax burden, self-employment and public employment, and three independent variables or indicators as currency ratio, real gross domestic product per capita and labour force participation. In order to work with homogeneous data and elaborate their econometric analysis, they used monthly and half yearly data from OECD Statistical Compendium Database for the countries as Spain, Italy and Greece. Their results obtained indicate that economic performances, measured in term of growth rate, seems to be a likely explanation of the changes in this irregular economy. A Low growth of this rate of per capita incomes and deficient provision of goods and services may further the need for additional or undeclared sources of income. Unfortunately, because of the lack of available information and the unfeasibility of estimating an overly complex structural equation model regarding to the sample size they did not include other potential variables employed such as index of corruption, labour market flexibility and resources governments spend on combating tax evasion.

In recent years, labor reforms have been implemented to increase flexibility in the labor market and decrease unemployment, especially since the global financial crisis of
An article by Turrini et al. (2014) reviews the scope of these labor policies applied in European countries since 2008, and conclude that most of them have consisted in reducing the regulation of labor protection, being more common in Eastern and Western Europe. In general, this approach was implemented in several countries with high unemployment rates, especially southern European countries such as Portugal or Italy. According to Janiak and Wasmer (2014); Skedinger (2010) the purpose of these labor protection measures is to restrict firing and hiring by increasing the associated costs incurred by employers. Thereby, recent reforms in labor policies that increase the flexibility of the European market should result in a lower prevalence of informal employment. In contrast, there are supporters who consider that the scarce state intervention results in employees being motivated to informal employment due to that these workers perform informal jobs when the Government does not protect them and employers have more power, thus expanding practices such as subcontracting and staff reduction. Cahuc (2014) argues that "an employer who does not comply with basic standards such as health and safety in the workplace, and having a greater monopoly power and reforms that allow him to replace those workers at low cost, may fire workers who complain". Thereby, the recent reforms in labor policies that increase the flexibility of the European market should result in a higher prevalence of informal employment (cited in Adriana Florez & Perales, 2016).

On the other hand, Drinkwater, Levine, Lotti, & Welt-Wirtschafts-Archiv (2003) investigated patterns related to the strength of legal employment protection for workers analyzing cross country variation in laws. They examined whether the impact of the credit crisis varied across countries using distinct levels of employment protection through the Employment Protection Index (EPLex) from the International Labour organization (ILO). This index provides a comparison among procedures governing permanent contracts of employment, and of employment protection legislation.

In countries with stronger employment protection the estimated impacts on job including disproportionate impacts on temporary, younger, less skilled and migrant workers, are greatly higher and significant for permanent workers. This finding highlights similar studies arguing that the combination of stringent regulation for permanent employment with weak regulation for temporary work contracts has created a dual labour market in Europe, one in which the burden of adjustment falls disproportionately on temporary workers who even because of certain sectors also tend to be less skilled and younger than permanent workers (Drinkwater et al., 2003).
Regarding to less skilled workers, Bucher (2010) analyzed the firms’ and employees’ response to a specific hiring subsidy program when taking into account interactions among segments of the low-skilled labor market focusing on subsidy programs such as most of these that have been implemented in OECD countries for three decades: temporary subsidies designed for long-term unemployed. This analysis attempt to answer the research question “does an alternative form of the program improves the welfare of the economy?” and researches the effects of such a program on the low-skilled labor market considering minimum wage constraint.

In contrast to many continental European countries, one of these as Denmark, it has a very flexible labor market. Thus, the employment protection is weak, besides of turnover rates and average tenure are in alignment with those of the Anglo-Saxon countries (Kreiner, Munch, & Whitta-Jacobsen, 2015).

2.2. Tax Avoidance

The most of the tax avoidance literature focuses on the law and public finance fields, where several studies analyze different issues related to labor taxes in the informal economy (Dell’Anno et al., 2007), tax arbitrage and labor supply (Agell & Persson, 2000), distortionary effect of taxation on labor mobility (Kreiner et al., 2015), and even the incentives that motivate CEOs to adopt more aggressive corporate tax reporting preferences (Kubick & Lockhart, 2016).

In fact, the literature related to tax evasion refers to income tax evasion, or whether it has real effects on the supply of workforce, or whether it leads to changes in workers' compensation. In particular, literature reviews offer different issues in empirical research on tax evasion, as in the case of the empirical article by Hoopes, Thornock and Williams (2016) that deals on tax evasion in the digital economy. The term tax evasion generally refers to all actions that have the purpose of reducing tax liability. Slemrod and Kopczuk (2002), Piketty, Saez and Stantcheva (2014) and Uribe-Teran (2015) extend this definition by theoretically analyzing the elasticity of taxable income in the presence of tax evasion. One the other hand, Feldstein (1999) affirms that accounting for tax avoidance significantly increases estimates of the implied deadweight loss of income taxation (Degl’Innocenti & Rablen, 2017).
Douglas A. Shackelford (2001) conducted a study of the alternative minimum tax (AMT) impact on the reported earnings, where he found a downward trend in the income of the firms, this due to the firms shifted book earnings to avoid taxes. Boynton et al. (1992) confirmed this income shifting using actual tax returns to find AMT firms (cited in Douglas A. Shackelford, 2001).

Agell & Persson (2000) suggest that studies that ignore tax avoidance may easily come up with biased estimates of the tax responsiveness of the labor supply of high-wage individuals. In addition, due to tax avoidance, international comparisons of income inequality will overstate the redistributive achievements of high tax countries like Sweden. Slemrod (2001) affirm that there is much evidence that suggest the class of avoidance behaviors is more responsive to tax changes than are real substitution responses. His work used the Allingham-Sandmo model or so called standard model because it has the advantage of being explicit about the costs of tax evasion. He examines time series data on Michigan using dependent variable as income and independent variables as wage rate and non-labor income, implemented in 1981 and 1986.

Ravenda et al. (2015) focus their study on labor tax and develop two new measures of labor tax avoidance based on social contribution expenses reported in financial statement using a sample of 224 Italian firms known as legally registered Mafia firms due to its connection with Italian organized crime. Further, they examine the effect that the confiscation of the firms and their assignment to legal administrator may have on labor tax avoidance. The financial statements of all firms were obtained from Asylum Information Database (AIDA), the Italian bureau Van Dijk database. The legally registered mafia firms’ sample consists of firms confiscated to organized crime during 1994 – 2013 period. This study empirically tests hypothesis with a Base Regression Model using as dependent variables two measures of labor tax avoidance, reported sales and material consumption and as independent variables they used binary variables for Legally registered Mafia firms before and after confiscation.

2.3. Labor reforms in Spain

In recent years Spain has gone through a severe economic crisis since 2008, which highlighted the weaknesses of the current labor model, and resulted in several changes in labor reforms. The severity of the destruction of employment and the economic
The situation demanded to adopt an immediate reform that provide legal security to economic agents in order to get recover the employment (Real Decreto Ley-3/2012, 2012). The legislative changes were made in 2010, by Real Decreto-Ley 35/2010 de 17 de septiembre, de Medidas Urgentes para la Reforma del Mercado de Trabajo; and in 2012, by Real Decreto-Ley 3/2012 de 10 de febrero, De Medidas Urgentes Para La Reforma Del Mercado Laboral; this last one more flexible than above (Barroso, 2017).

Real Decreto-Ley 35/2010 deals that the basic problems of the labor market are a "very high temporary hiring, which it means a third of the hired population by employment"; scarce measures of internal flexibility legislation; discrimination of collectives such as people with disabilities, elderly and female; and low capacity to place employment public services. These measures were based on three main ideas. First, reduce labor duality to encourage employment stability and flexibility of firms through the creation of new jobs; second, to strengthen the instruments of internal flexibility by reducing the working day, in order to reduce the problem of precarization of the labor market with more temporary contracts and reduced working hours; and third, improve access to the labor market for collectives at risk of exclusion, such as young people through training contracts and improvement of labor intermediation (Carmona, 2012).

On the other hand, according to Real Decreto Ley-3/2012 (2012) the labor reform eliminated the regulations on collective dismissals, as the record of employment regulation, and introduced the possibility of collective dismissals in the public sector, facilitating the dismissals for economic reasons. Currently, it is considered as collective dismissals if they comply with economic, technical, organizational and productive reasons (cited in Barroso, 2017), for example, employers can introduce unilateral changes in working conditions such as wages, work schedules, working hours, as long as they meet the conditions mentioned above (OECD, 2013).

This labor reform has a clear change of conception on the subordination of employment to the economy, with the manifestation of its purposes as recovery, creation and stabilization of employment, encouraging the generation of security not only of workers as an active part of the labor market, but the stabilization of the whole society. Specifically, it tries to create measures of internal and external flexibility for employers to manage their human resources according to their economic need, and in order to "create security for workers in employment and in levels of social protection, thus satisfying the interests of all ", changing the previous conception of security related to the job and its evolution in the form of professional career for security in terms of
employment, that is, the activation and motivation of workers in the labor market and their economic employability (Carmona, 2012).

2.4. Related Research and Hypothesis Development

Martin & Prokkola (2017) affirm that: "Research and organizing around precarity has problematized the flexibilisation of labour through short-term and zero-hours contracts, part-time work, non-unionized work-places, high youth unemployment, offshoring manufacturing and outsourcing state services".

Bucher (2010) developed an econometric model, this one is computed above French data to estimate the employment and welfare effects of a measure introduced in this country in 1995. Therefore, a general equilibrium model as Mortensen Pissarides matching model, captures the main features of the low skilled labor market using as independent variables the benchmark economy, economy with the French contract, economy with the optimal contract and economy with the optimal policy. The basic framework is extended to include heterogeneities of unemployed and jobs. The work considers an economy with an exogenous number of workers and an endogenous number of firms. The contribution of this research is to provide a macroeconomic assessment of French programs. Since results suggest that the French contract is near to be optimal and the subsidy program has a significant impact on population, hiring prospects of long term unemployed workers get better, in contrast to the related unemployment rate fall. Nevertheless, this could improve by increasing the participation rate of firms as well as the subsidy rate and by reducing the subsidy duration.

Ravenda et al. (2015) show in their results that correlations between independent variables of base regression model are low, thus providing a first indication that collinearity is improbably to affect estimations. The model was estimated through a linear regression with panel corrected standard errors in order to consider heteroskedasticity. The consistence of results among both measures provides evidence of robustness in front of possible manipulations that may affect both material consumption and sales reported figures. These results are robust to a variety of estimation methodologies. One of the positive aspects of this study is that could be replicated in other countries, where organized crime is deeply rooted or Undeclared Work is a widespread practice, in
order to determine whether its results are confirmed in a different cultural, legal, and institutional context.

This study is related to the incidence of the labor reforms flexibility in labor tax avoidance, since employers could use precarious and temporary contractual forms that allow them savings in social security or take advantage of government incentives to reduce these expenses, abusing these one like in countries such as Spain, Italy and France (Dell'Anno et al., 2007). All this could occur after having more easily dismissed (by reducing the protection) the more expensive labor force. Similarly, the lower protection of employees gives employers more contractual force and intimidation that facilitate these harmful practices to workers and to the national social security system that already suffers many problems of sustainability.

**H1:** Less protection involve more labor tax avoidance.

### 3. Methodology

#### 3.1. Sources of information

The main platform to access the reviewing of the theoretical framework regarding the Employment protection and labor tax avoidance proposed by some authors, as well as the reviewed in the literature written on this current paper was the Recercador instrument of the University of Barcelona through academic articles available from scientific databases such as Scopus, Web of Science and Emerald Management, being able to easily access these databases where has found relevant information for the research work, likewise perform analysis of different papers that present results in relation to the topic.

#### 3.2. Sample

The sample of the present paper can be obtained through the SABI database, because of it will be carried out a quantitative methodology of empirically based. Specifically, it is about taking all those companies that belong to sectors more susceptible to labor flexibility within of Spain, having a range of 2 periods of time, which will be identified as a dummy variable "Change" among before and after of labor reforms. On the one hand,
the decrease of labor tax avoidance by companies is analyzed in the prior period to labor reforms, with more rigorous policies in the labor market, and on the other hand, the increase of this one when there are flexible labor reforms with less employment protection. Therefore, the information must be of the two periods of time in the implementation of labor reforms.

**3.3. Empirical model**

This study formulate a empirical model where the independent variable is LTA depends on the variables of interest, change of the period of time (CHANGE) and time (YEAR), as well as on a set of control variables (CONTROLS), which previous research on tax avoidance and the only published paper on LTA (Ravenda et al., 2015), examine relevant determinants of tax avoidance in legally registered Mafia firms, and based on their study, we can consider that they are interesting in the building of our empirical model.

\[
LTA_{i,t} = \beta_0 + \beta_1 \cdot CHANGE_{i,t} + \beta_2 \cdot YEAR_{i,t} + \sum \beta_k \cdot CONTROL_k_{i,t} + \epsilon_{i,t}
\]

In order to detect whether the change in labor reforms influences the level of labor tax avoidance, the main variables are investigated: Social Contribution expenses (SOC) in relation with Wages, Social Contribution expenses (SOC) in relation with Sales, and their corresponding abnormal (residual and quintile); these variables would set the independent variables and labor tax avoidance as a dependent variable.

This study aims to perform an empirical study based on the information collected from the SABI database, developing measures of labor tax avoidance based on social contribution expenses reported in financial statements and test them within a sample of Spanish firms that correspond to a period of time of a function depending on the variable “change”, where the control variables will be computed in two periods, before and after labor reforms. The information will be extracted from SABI database where the item social security cost from companies can be found there.

For the measurement of labor tax avoidance of this empirical work the dependent variables are two measures represented by abnormal social contribution expenses (ABSOC). Therefore, lower ABSOCs suggest higher probability of firm engagement in labor tax avoidance and vice versa.
To test the hypothesis, a wide sample of data is accessed within the two periods. The models are based on prior studies (Ravenda et al., 2015), applying some modifications to focus on this study.

The employment of undeclared work by reducing personnel expenses has the effect of increasing taxable income and income tax burden. Firms may compensate this through a fraudulent understatment of sales revenues in order to reduce income tax as well as value added tax payable. The dummy variable corresponds in two stages, before and after the labor reform period.

Overall, the study reveal that before rigorous labor reforms firms engage more labor tax avoidance, whereas after labor reforms there is no significant influence on the probability of engaging in such a practice.

4. Conclusions

This article analyze the relationship between employment protection and labor tax avoidance within the European framework, specifically in Spain. The study extends the scant existing literature through an empirical analysis of the incidence of the labor reforms on LTA, which consists of control variables that examine the Labor Tax Avoidance at firm level using financial statement information and the effects that labor policies may have on tax collection of fiscal authorities.

The hypothesis is that less protection involve more labor tax avoidance since employers use precarious and temporary contractual forms that allow them savings in social security or take advantage of government incentives to reduce these expenses, abusing these last ones.

The empirical model contains LTA, which depends on experimental variables providing test for the hypotheses, as well as on a set of control variables, commonly used in previous studies on tax avoidance and with theoretical underpinning for their influence on LTA. In order to build the data, we should use a panel data sample of ten years of Spanish firms using a dummy variable that corresponds to two stages. The control variables will be computed in two periods, before and after the labor reforms period, based on social contribution expenses reported in financial statements that correspond to a period of time of a function depending on the variable “change”.

The study aim to find that firms with lower employment protection in labor reforms are significantly more labour tax avoidant than stringent labor reforms and to reveal
robust results to all measures of LTA used in this study, as well as to different sample selection and estimation methods.

In the last decade, according to Turrini et al. (2014), European countries have implemented policies and reforms promoting labour market flexibility, such as reducing the generosity of unemployment benefit system and weakening regulation of employment protection, in order to become more competitive in the global economy (cited in Adriana Florez & Perales, 2016).

This study should analyze sectors historically with labor precariousness because of that these ones are more probable to be affected by these practices due to their particular characteristics as high temporality, precariousness, low professional qualification, etc. Some of these sectors could be, for example: construction, hospitality, agriculture, although the election would have to be justified with concrete data.

Within the contribution to knowledge, there are no previous studies in the literature that analyze tax avoidance in labor reforms and more specifically the employment protection and labor tax avoidance using financial statement information and the effects that labor policies may have on tax collection of fiscal authorities. Therefore, this study contributes to tax avoidance and business literature with an empirical study on LTAV, and increases our knowledge of the irregular economy due to that it adopts new labor tax avoidance measures that may enhance further research on their effectiveness in other cultural, legal, and institutional contexts and for other types of firms.

Most importantly, it can contribute to protecting employees against illegal exploitation and to avoiding tax revenue loss in the social security system. More specifically, it has important social and academic implications, given that it would be the first study to empirically test the higher LTA practices within the labor reforms, and that it stands out the need of more regulation for the non-qualified employment agreements which are increasingly applied in the irregular economy.

There are two lines of research meaningfully relevant as the study of unemployment of undeclared work typical of public economics or labor relation areas, and another consists of studies on income tax avoidance mostly focused in the business and accounting areas. Additionally, it can be set as a study purpose to analyze the effect of policies in the reduction of employment protection, because of the recent labor reforms in countries such as Spain, Italy and France, on labor tax avoidance, which it is defined as the expenses evasion of employees’ social security contribution by employers (Ravenda et al., 2015).
5. Bibliography


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José Luis Solá Uyaguari..., alumno del Máster en Investigación en Empresa de la Universidad de Barcelona, con DNI o NIUB ...Y4921957V... como autor del Trabajo Final de Master titulado Employment Protection and labor Tax Avoidance...

Declaro:

1. Que el trabajo es original y no está plagiado en parte o totalmente.
2. Que las fuentes han sido convenientemente citadas y referenciadas.
3. Que este trabajo no se ha presentado previamente en la Universidad de Barcelona ni en ninguna otra universidad/institución.

Firma del estudiante

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