

OSE and EUROFOUND Joint seminar: 'Self-employment in Europe:
Labour market and social protection'
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Access to social protection for the self-employed in Europe

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Outline

- I. **‘Statutory’ access to social protection for the self-employed**
- II. **‘Effective’ access to social protection for the self-employed**
- III. **What is changing? Reform trends and policy debates**

Wide variation in statutory access to social protection:

- **among countries**
- **within a country, depending**
 - *on the benefit schemes (contributory vs non-contributory)*
 - *on the categories of the self-employed*

Historical categories (e.g. liberal professions, farmers) newly created statuses ('auto-entrepreneur' in France), 'dependent self-employed' (e.g. DE, ES, IT, PT)

Main gaps in statutory access to contributory schemes

	NO statutory access	Statutory access	
		Compulsory	Voluntary
Unemployment	BE, BG, CH, CY, DE, EE ^a , EL ^b , FR, IE ^a , IT, LI, MT ^a , MK, NL, NO ^b , LT ^b , LV, PT ^b , RS ^b , TR, UK ^a	CZ, HR, HU, IS, LU, SI, SK ^c , PL	AT ^c , DK, ES, FI, RO, SE
Accidents at work & occupational injuries	BE, BG, CY, CZ, DE, DK, IE, LT, LV, NO ^b , NL ^b , SK, UK, LI, CH	EE, EL, HR, HU, IT, IS, LU, MK, MT, RS, SE, SI, PL, TR, IT	AT ^c , ES ^d , FI ^d , FR ^b , PT, RO ^d
Sickness benefits	EL ^b , CH, IE ^a , IT	AT ^c , BE, CY, DE ^c , DK, ES ^d , FI, FR, HR, HU, IS, LU, LI, LT, LV, MK, MT, NO ^b , PT ^c , RS ^b , SE, SI, SK ^c , TR, UK ^c	BG, CZ, EE, NL, PL, RO ^d

a) Access only to means-tested benefits b) Access only for certain categories of SE c) OPT- OUT and exemptions d) Compulsory /voluntary access depending on the category of SE

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Unemployment	BE, BG, CH, CY, DE, EE^a , EL^b , FR, IE^a , IT, LI, MT^a , MK, NL, NO^b , LT^b , LV, PT^b , RS^b , TR, UK^a	CZ, HR, HU, IS, LU, SI, SK^c , PL	AT^c , DK, ES, FI, RO, SE
Accidents at work & occupational injuries	BE, BG, CY, CZ, DE, DK, IE, LT, LV, NO^b , NL^b , SK, UK, LI, CH	EE, EL, HR, HU, IT, IS, LU, MK, MT, RS, SE, SI, PL, TR, IT	AT^c , ES^d , FI^d , FR^b , PT, RO^d
Sickness benefits	EL^b , CH, IE^a , IT	AT^c , BE, CY, DE^c , DK, ES^d , FI, FR, HR, HU, IS, LU, LI, LT, LV, MK, MT, NO^b , PT^c , RS^b , SE, SI, SK^c , TR, UK^c	BG, CZ, EE, NL, PL, RO^d

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Differentiation in statutory access to other social risks: voluntary access only, opt-out and exemptions

- Maternity benefits (e.g. BG, CZ, LT, PL, RO)
- Invalidity benefits (e.g. AT, DE, NL, PT, UK)
- Old- age pensions (e.g. AT, DE, IE, NL, RO, UK)
- **Occupational pensions (e.g. NL; no access in DK, SE)**

Hybrid social protection for 'dependent self-employed'

Country	Dependent self-employed
Germany	<ul style="list-style-type: none">• Since 1999, compulsory insurance for old-age pensions• Voluntary for the rest of SE
Netherlands	<ul style="list-style-type: none">• Compulsory covered by occupational and work injury schemes.• Private insurance for the rest of SE
Spain	<ul style="list-style-type: none">• Compulsory accident at work insurance• Voluntarily for the rest of SE
Portugal	<ul style="list-style-type: none">• Access to unemployment benefits• No access for the rest of SE
Romania	<ul style="list-style-type: none">• Compulsory pension and health insurance• Conditional upon a certain income for the rest of SE

Clustering on statutory access to insurance-based schemes

Full to High access	High to-Medium access	Low to No access	Patchwork of Medium to Low access
HR, HU, IS, LU, RS, SI	AT, CZ, DK, ES, FI, PL, RO, SE	BE, CH, CY, EL, FR, IT, LI, LT, LV, MK, MT, NO, SK, TR	BG, DE, EE, IE, NL, PT, UK

Self-employed : clustering on statutory access to insurance-based schemes

- Cluster 1 ('Full to High access'): SE required to be insured under all the insurance-based schemes.
- Cluster 2 ('High to Medium access'): SE not required to be insured under one or more insurance-based schemes. However: possibility to voluntarily opt into the scheme(s) concerned.
- Cluster 3 ('Low to No access'): SE cannot access one or more insurance-based schemes and cannot opt in.
- **Cluster 4 ('Patchwork of Medium to Low access'): SE not required to be insured under one or more insurance-based schemes. However: possibility to opt into some schemes, but completely excluded from others.**

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- **Eligibility conditions tailored to salaried employment**
 - **contributory periods**
 - **shorter duration of benefits**
e.g. Sickness benefits in AT, PT; Unemployment in BG, EL
 - **waiting periods**
e.g. sickness benefits in BE, EE, HR, LU, PL, SE, SI, PT
 - **cessation of activity requirements for unemployment benefits (e.g. DK)**
- **Voluntary access, opt- out and exemptions**
- **The way the income assessment base is determined**
 - **Income paid on long previous periods of earnings, upfront payments (advance social security payments), payments of arrears**

Voluntary access, opt-outs and exemptions	Low minimum assessment bases
<p>Romania: only 10-11 % of self-employed are covered for old-age, invalidity, sickness or maternity benefits.</p>	<p>Latvia: 85%-90% of self-employed pay contributions based only on a minimum monthly wage.</p>
<p>Czech Republic: in September 2017, 15.37% of SE (main economic activity) contributed to sickness insurance.</p>	<p>Spain: average monthly base of self-employed is approximately 36% lower than that of salaried workers. 86.1% of self-employed are insured at minimum contribution base.</p>
<p>Austria: coverage of the voluntary unemployment insurance: 0.02 % of all self-employed (117 persons insured in 2015)</p>	<p>Slovenia: 70% of self-employed pay social security contributions on the minimum insurance base for pensions.</p>
<p>Finland: coverage of second-tier voluntary unemployment insurance: solo self-employed: 20% and for self-employed with employees: 10%.</p>	<p>Estonia: legal incentive to declare only 'passive income' instead of 'active income' (the former is not subject to social tax and income tax). Households with business income are estimated to under-report 62% of their actual active income.</p>

- Transferability of entitlements between schemes**
- Access to Information and administrative procedures**
- A general low level of benefits= disincentive to contribute**
(e.g. HU)
- Under- or non-reporting of income**

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Two main types of reforms extending social security for the self-employed

- Parametric reforms:** changes in some parameters/mechanisms of a scheme
- Paradigmatic reforms:** extensive integration of self-employment into social security

SE: extension of social protection through 'parametric' and 'paradigmatic' reforms

Parametric reforms	Paradigmatic reforms
DK, EE, ES, HU, NO, NL, PT, RO, SI	AT, BE, CH, EL, ES, IE, FI, FR, LT, LV, NO, PT, TR, UK

Paradigmatic reforms aimed at extending social security to the self-employed

- Austria: new self-employed included in pension, health and work accident schemes since 2000.
- Greece: new pension system (2017) unifying several social insurance funds into one pension fund.
- Latvia: Microenterprise Tax status (2010)
- Ireland: extension of invalidity pensions and the treatment benefit (healthcare) to the self-employed (2017)
- **Lithuania: 'Social Model' reform**

SE: extension of social protection through parametric and paradigmatic reforms: the ‘movers’

clusters \ reforms	Full to High access	High to Medium access	Low to No access	Patchwork of Medium to Low access
	HR, HU, IS, LU, RS, SI	AT, CZ, DK, ES, FI, PL, RO, SE	BE, CH, CY, EL, FR, IT, LI, LT, LV, MK, MT, NO, SK, TR	BG, DE, EE, IE, NL, PT, UK
Parametric reforms	HU	DK, ES, RO, SI	NO	EE, NL, PT,
Paradigmatic reforms		AT, ES, FI,	BE, CH, EL, FR, LT, LV, NO, TR	IE, PT, UK

Policy debates on the issue of how to extend coverage and improve the level of benefits for the self-employed : ongoing in many countries

- taxation in CZ, IE, UK
- pensions (NL and DK)
- fight against bogus self-employment (PT)
- paternity and maternity benefits (CZ)
- access to unemployment and sickness benefits (SE and DK)

Initiatives and debates around the 'digital economy'

- FR: law on digital platforms
- DE: White Paper « Work 4.0 »
- NO: Uber declared illegal; set up of a special commission on the digital economy
- UK: inquiry into self-employment and the gig economy; judgement against Uber

Read more

- Spasova S., Bouget D., Ghailani, D. and Vanhercke B. (2017). *Access to social protection for people working on non-standard contracts and as self-employed in Europe. A study of national policies*. European Social Policy Network (ESPN), Brussels: European Commission, [Download](#) the Synthesis Report
- This Synthesis Report is based on national contributions prepared by the 35 ESPN Country Teams.
 - [Download](#) the Thematic reports (available soon)

Thank you for your feedback!

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ESPN

The European Social Policy Network (ESPN) was established in 2014 to provide the European Commission with independent information, analysis and expertise on social policies in 35 European countries.

It is managed by LISER (Luxembourg Institute of Socio-Economic Research), Applica and the OSE (European Social Observatory).

More information on the ESPN on the COM [website](#).

Also check out the regular ESPN [Flash](#) reports on significant social policy developments in Europe.