



# **Access to social protection for people working on non-standard contracts and as self-employed in Europe**

**A study of national policies  
2017**

Slavina Spasova, Denis Bouget, Dalila Ghailani & Bart Vanhercke  
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*Contact:* Giulia Pagliani

*E-mail:* [Giulia.PAGLIANI@ec.europa.eu](mailto:Giulia.PAGLIANI@ec.europa.eu)

*European Commission  
B-1049 Brussels*

**European Social Policy Network (ESPN)**

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The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

The ESPN is managed by the Luxembourg Institute of Socio-Economic Research (LISER) and APPLICA, together with the European Social Observatory (OSE).

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## PREFACE

This Synthesis Report focuses on both statutory and effective access to social protection for people in non-standard employment and self-employment in Europe. Non-standard work<sup>1</sup> and new forms of self-employment have been on the increase in Europe over the past two decades due to structural and crisis-driven economic and labour market developments. In this context of greater variety and hybridisation of labour market statuses and types of contracts, European social protection systems are facing growing challenges in — legally and *de facto* — covering social risks.

The financial and economic crisis increased youth and long-term unemployment in nearly all European countries, especially between 2008 and 2013. Meanwhile, the shares of various types of non-standard work in the workforce — mainly part-time (especially involuntary) and temporary work — have also risen. At the same time, the digital economy is transforming labour markets. New forms of employment are emerging, for example in the platform-driven part of the economy<sup>2</sup>, but also in traditional sectors such as construction and transport and in many other parts of the services. In this context, new forms of self-employment — such as ‘dependent self-employment’ — may present new job opportunities, notably for the young. Moreover, careers are becoming less and less linear, with people transiting between different employment statuses and/or combining salaried employment and self-employment. The Europe 2020 strategy stresses that self-employment and entrepreneurship can provide important employment prospects in ongoing structural transformations driven by digitalisation, globalisation, population ageing and climate change (European Commission, 2016b: 41). Providing a fertile ground for self-employment implies not only fostering measures but also reassuring people that they can benefit from protection against social risks.

### ***Old and new differences in access to social protection by forms of employment***

Historically, national social protection systems have primarily been developed to protect people in standard employment. This is particularly the case for insurance-based schemes, i.e. those based on social contributions from the employee and the employer. By contrast, benefits and services financed by taxes (e.g. family allowances, some forms of healthcare and long-term care) and certain means-tested benefits (e.g. social assistance and minimum income provisions for older people) are granted in many European countries regardless of the employment status of an individual.

People in non-standard employment have always been in a more insecure and precarious situation regarding access to schemes and receipt of insurance-based benefits (ILO, 2016; Matsaganis *et al.* 2016). This applies even more strongly to the self-employed, who, as a rule, have not received the same social protection as those in salaried employment. They have often been excluded from access to certain insurance-based social protection schemes, even though they face similar risks regarding their economic activity, health and income. In general, different categories of self-employed have also received disparate treatment. Certain historical categories of the self-employed — such as farmers and the liberal professions — have often benefited from specific schemes protecting them from some social risks. Those in other types of self-employment, and especially new forms of self-employment, have in many countries had little to no access to public social protection for some risks.

Since the 1990s, European Union (EU) Member States have sought to give the traditional social protection package in cash and kind a more active orientation and to match it with increased access to employment services and training. Whereas workers in non-standard employment have often been included in this wider social protection package, access has remained limited or disparate for the self-employed. In other words, while variations in

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<sup>1</sup> Non-standard employment is defined as contracts which fall outside of a ‘standard employment relationship’, i.e. defined as full-time permanent contracts (see Section 1).

<sup>2</sup> The ‘platform economy’ covers a set of online digital arrangements whose algorithms serve to organise and structure social and marketplace interactions (Kenney and Zysman, 2016). Examples are platforms such as Facebook, Airbnb, Uber, Lyft, Sidecar, Amazon and eBay.

statutory and effective access to social protection are not new, the importance of the various gaps in *de facto* coverage for these forms of work is growing due to structural developments in the world of work, which have been intensified by the crisis.

### ***Statutory versus effective access to social protection***

Gaps in social protection coverage affect both 'statutory' access to social protection schemes and 'effective' access to benefits (building up of entitlements) for people in non-standard employment and in self-employment.

In its present role, social protection covers mainly the needs of salaried employees, and in particular those in standard employment. People in non-standard employment usually have the same statutory access to most social benefit schemes as those on standard contracts, with the important exception of certain categories of workers such as casual and seasonal workers, on-call workers, and those on temporary agency contracts, civil law contracts or zero-hour contracts. As for the self-employed, they may be completely excluded from statutory access, or may only be able to opt in on a voluntary basis to key insurance-based schemes — such as sickness, unemployment and occupational/injury benefit schemes.

Non-standard workers and the self-employed often encounter difficulties in fulfilling the eligibility conditions for receiving benefits from insurance-based schemes (e.g. interrupted contribution periods). In this respect, the criteria for both contributions/eligibility and for the calculation of the level and duration of benefits could be better tailored to the situation of non-standard workers and the self-employed. If this becomes the case, the gaps could be significantly reduced. In the case of the self-employed, issues in building up entitlements are often related to the calculation of the income assessment base upon which social contributions are paid.

### ***Micro- and macro-level impacts of gaps in social protection access***

Lack of/ limited access to social protection treatment because of contract and employment status may be considered both unfair and inefficient. As this Synthesis Report shows, non-standard workers and the self-employed run a comparatively high risk of poverty in nearly all the 35 countries under scrutiny. Lack of insurance and of sufficient entitlements also involves high costs of non-social protection for societies and economies. Without adequate social protection, people's welfare is at risk and the life-time productivity of a potential work force will be lower (Fouarge 2003). Insufficient effective access to social protection particularly affects women and young people, as these are over-represented in non-standard forms of work. It may also endanger intergenerational fairness and fuels the risk of social polarisation between the different categories of employed people. Lack of access thus undermines the overall adequacy and sustainability of social protection systems, as the contribution base is being eroded.

Individuals may decide to gamble on not needing insurance or social protection coverage. However, when they fall ill or have an accident, this may not just affect them, but also their families who may enter a negative social spiral. Children are being particularly affected, often with long-lasting effects also in their lives as adults. Moreover, there is a significant negative impact on the society as a whole. Currently, people in non-standard work or self-employment, even in a case of not paying social contributions, have access to tax-financed safety nets (ex. minimum income, universal minimum healthcare benefit package). Gaps in their access to social protection tend to weaken the adequacy and the financing of social protection systems.

### ***Labour market impact of insufficient access***

Lack of/limited access to social protection also distorts the economic and social bases for accepting non-standard employment or engaging in self-employed activity, sometimes combined with informal work. Free-riding and not contributing to social protection — for example because certain forms of employment are exempted from contributions — may result in a distorted playing field between those producers that must factor social protection costs fully in and those who manage to avoid them. Deficiencies in access to and



transferability of employment-related social protection discourage shifts from inactivity to work as well as changes between and combinations of employment and self-employment. These deficiencies in access to social protection and employment services also increase the type of labour market segmentation, which is generally associated with higher levels of unemployment and lower quality of skills matching. In a wider sense, these disparities in the rights and obligations to have social protection coverage also risk eroding the economic basis for standard employment, as such jobs have to compete with jobs that are exempted from the cost of social contributions. With a growing number of people in non-standard employment and new forms of self-employment, and with more frequent and diverse transitions between salaried employment and self-employment, the link which often exists between access to social protection and the labour law status of people in employment is becoming increasingly problematic. This flaw in many social protection systems, which until recently may have been considered to be of relatively marginal importance, is likely to constitute a growing impediment to the welfare of a rising share of the workforce and to the proper functioning of labour markets. Facilitating transitions between forms of employment will require the provision of statutory as well as effective access to schemes. More transparency of schemes and simplification of administrative procedures as well as improved transferability of rights and entitlements between schemes would also be important.

Closing the gap in social protection is not just about fairness and better protection; it is also about enabling people to avail themselves of all employment opportunities in increasingly diverse and faster changing labour markets. The flexibility offered by non-standard forms of employment may also be attractive to employees in particular situations or with certain sets of preferences. In this respect, non-standard employment should offer the same possibilities for training, worker representation and in-work advantages as for standard workers. Research has suggested that as a society becomes more economically prosperous and as social protection expands, the share of fixed-term and part-time contracts may also rise, as an effect of people taking more time for childcare or being able to risk periods of unemployment between fixed-term contracts (Hevenstone 2010). Therefore, statutory and effective access to social protection is an important vehicle for people's ability to take non-standard employment and to move between different forms of employment.

### ***Wider economic impacts of a lack of social protection***

Extending social protection to people in all forms of employment by granting them the possibility to take out social insurance may actually be expected to improve the sustainability of national social security systems. Apart from the social costs of a lack of social protection, the economic costs can be high. Research has shown that comprehensive social policies contribute to economic stabilisation and smoothing of the business cycle, and have a positive effect on allocation efficiency. Moreover, social protection plays an important role in preventing adverse selection, internalising (income) externalities and taking advantage of economies of scale (Fouarge 2003).

### ***Recent national efforts to close gaps in access***

A few countries have recently taken steps to begin addressing gaps in social protection by granting access to schemes for some categories of non-standard workers and self-employed people, who were previously excluded. Moreover, reforms have also involved changes in eligibility conditions in order to better tailor social protection to these categories of workers. Reforms and policy debates have underlined the need for specifically tailored social protection for non-standard employees and the self-employed.

### **The European Pillar of Social Rights<sup>3</sup>**

Social protection of the self-employed and, to some extent, non-standard workers is an issue which was already highlighted in the preliminary outline of a European Pillar of Social Rights (European Commission, 2016a). A recurrent theme in the background documents to the 2016 consultation on this important Commission initiative relates to changes in the world of work. These changes lead to more people working on non-standard employment contracts or in new forms of self-employment, widening existing gaps in employment-related social and labour rights. Thus, the first preliminary outline of the European Pillar of Social Rights (European Commission, 2016a) highlights that:

*'There are "grey zones", such as "dependent" and "bogus" self-employment, leading to unclear legal situations and barriers to access social protection' and while 'more transitions will take place' 'access of self-employed or workers who are not on full-time and permanent contracts to paid family-related leave or insurance schemes remains uneven [across Member States and] the self-employed and those in atypical employment [...] experience higher [...] adequacy risks and lower coverage', for which reason, inter alia, 'the participation of the self-employed in insurance schemes shall be encouraged'.*

Moreover, this preliminary outline of the Pillar also focuses on 'secure professional transitions', concluding that 'some social protection entitlements, such as occupational pensions, unemployment benefits, health insurance or training entitlements cannot always be easily transferred when changing jobs'. In the light of these developments, the European Commission is planning a (legal or non-legal) initiative in 2017 to encourage Member States to review and strengthen their national social protection systems by ensuring that people in similar work are covered by similar rights and obligations. In his statement on the results of the consultation on the European Pillar of Social Rights, the President of the European Commission underlined the importance of ensuring adequate social protection for people in all forms of employment — standard and non-standard employment relationships and self-employment. For Jean-Claude Juncker (2017) this is indeed 'a key question for the future of work and for the sustainability and relevance of the European social model'.

### **A Synthesis Report of the European Social Policy Network**

In support of the Commission's analysis, the European Social Policy Network (ESPN) was asked to conduct an exploratory description and analysis of how social protection systems currently deal with non-standard work and self-employment in Europe.

In response to this task this Synthesis Report: a) provides a brief description of the situation of self-employment and non-standard work relationships in the national economies and labour markets; b) describes the statutory access to 12 social protection schemes<sup>4</sup>; c) analyses the coverage and adequacy of these schemes; and d) identifies national reforms fostering greater inclusion of non-standard workers and the self-employed in social security systems. It also provides a brief assessment of the labour market consequences and cost implications of extending certain social security schemes. The report's primary purpose is to illustrate the main trends in national policies through a limited number of examples. In this respect, countries with similar developments are listed in brackets so that the reader interested in reading more about them can examine the 35 ESPN national experts' reports. In producing their reports, national experts cite many different sources in support of their analysis. References to these are not included in the present report. Readers wishing to follow up the original sources are again invited to consult the individual experts' reports (see footnote 5).

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<sup>3</sup> This report was finalised prior to the launch of the final version of the European Pillar on 26 April 2017.

<sup>4</sup> Healthcare, sickness benefits, maternity/paternity benefits, old-age pensions, survivors' pensions, unemployment benefits, social assistance, long-term care benefits, invalidity, occupational injury benefits and family benefits.

This Synthesis Report draws on the national contributions prepared by the 35 ESPN Country Teams<sup>5</sup>. It was written by Slavina Spasova, Denis Bouget, Dalila Ghailani and Bart Vanhercke of the ESPN's Network Core Team<sup>6</sup>, with helpful comments and suggestions from the ESPN Country Teams<sup>7</sup> and from colleagues in the Network Management Team<sup>8</sup>. Comments and suggestions from the European Commission are also gratefully acknowledged, while the usual disclaimer applies.

## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

### SUMMARY

Based on the in-depth account given in the national contributions prepared by the 35 ESPN Country Teams, the Synthesis Report puts forward the following key findings.

#### ***Self-employment and non-standard work: increased incidence amid a lack of clear definitions***

Neither the notion of non-standard employment nor the concept of self-employment are well-defined at national and EU-level. For non-standard employment, we rely on the ILO definition. By people in self-employment, we understand people working for their own account. One of the challenges of mapping the situation for the self-employed has been that the term 'self-employed' is understood differently across and even within the 35 countries covered in this report. In fact, there is currently no single, unambiguous definition applicable in any of the countries (except for Slovenia) drawing a clear-cut distinction between 'genuine', 'dependent' and 'bogus' self-employed. Relying on Eurostat's Labour Force Surveys, the following developments can be sketched. Between 2007 and 2015, there was a widespread increase in the share of non-standard work in many countries. The share of part-time work went up from 17.5% to 19.6%, while that of temporary jobs increased in 23 out of 33 countries (there are no data available for Liechtenstein and Turkey). However, over the period 2014-2016 the increase in the number of permanent employees exceeded the increase in the number of temporary employees, and full-time employment increased faster than part-time employment.

In 2015, 30.5 million (14%) workers in the EU could be considered as self-employed (see Figure 1). Southern and Eastern European countries have the greatest percentage of self-employed people, with Greece having the highest rate: 30%. At the other end of the spectrum, Nordic European countries (DK, NO, SE)<sup>9</sup> have the lowest proportion (ranging between 6.3% and 8.9%). Self-employment is mainly concentrated in four sectors: agriculture, forestry and fishing (15.3% of the workforce), wholesale and retail trade (15.9%), construction (12.8%), and professional, scientific and technical activities (11.7%).

The self-employed accounted for just 4.2% of the 15-24 age group in the EU as a whole (see Figure 2). They were mainly concentrated in construction (14.7%), agriculture, forestry and fishing (13.7%), wholesale and retail trade (12.8%), and accommodation and food service activities (7.3%).

Self-employed people in Europe are often male and tend to be older than employees. There is a pronounced gender bias, with women much more present in the health and social work

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<sup>5</sup> For a presentation of the ESPN Network Core Team and the 35 ESPN Country Teams, see Annex 3. The 35 ESPN national experts' reports can be downloaded from: <http://ec.europa.eu/social/main.jsp?catId=1135&intPageId=3589>.

<sup>6</sup> The four authors are from the European Social Observatory (OSE, Brussels). They are indebted to Ramón Peña-Casas for his statistical support and critical feedback.

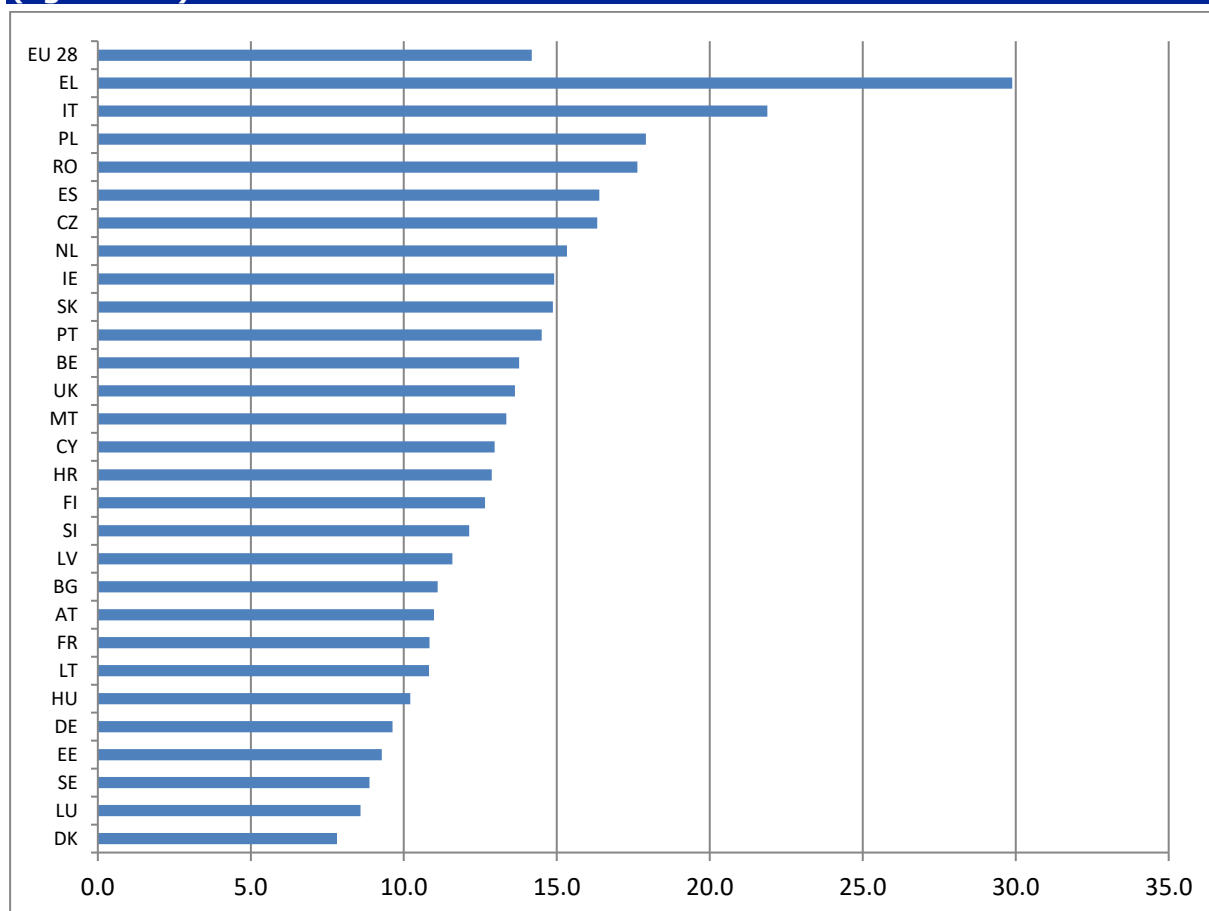
<sup>7</sup> Special thanks to Fran Bennett, Mary Daly, Marcel Fink, Jon Kvist, Pedro Perista and the European Commission (DG EMPL) for their useful contribution to conceptualising the clusters. The usual disclaimer applies.

<sup>8</sup> Hugh Frazer (Maynooth University, Ireland) and Eric Marlier (Luxembourg Institute of Socio-Economic Research, LISER) provided detailed feedback during the various stages of the report. The authors are grateful for their important contribution to enriching the analytical framework.

<sup>9</sup> For the countries' official abbreviations used in this report, see Annex 4.

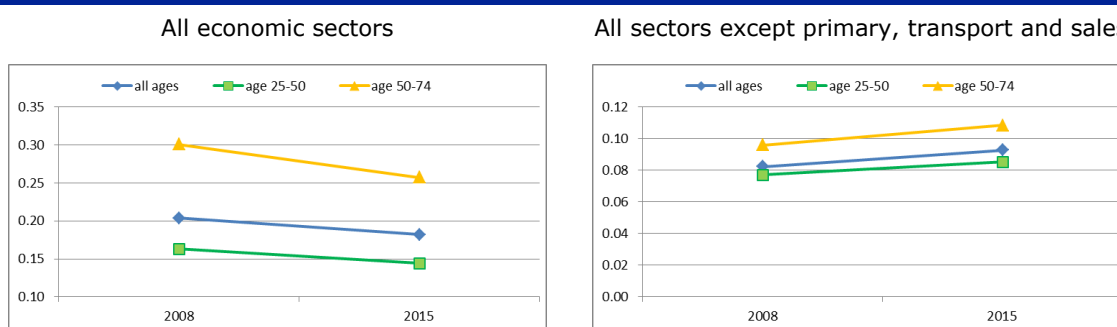
sector (12.8%, compared to 3.3% for male) and much less present in the construction sector (1.4%, compared to 18.3% for male).

**Figure 1: Self-employed as a percentage of total employment in 2015 (age 15-64)**



Source: Eurostat.

**Figure 2: Change in the proportion of self-employed people without employees, EU28**



Source: Eurostat.

**'High', 'Medium', 'Low' and 'Patchwork' statutory access to social protection**

All 35 countries covered in this report can be considered as '*high access*' social protection systems with regard to *statutory access* to social protection for non-standard workers. Indeed, eligibility conditions for non-standard workers are generally the same as those for standard workers, but there are two major exceptions to this rule. First, certain categories of non-standard workers are subject to a general exclusion, or — in some contributory schemes — only have partial access to social protection. Examples include casual and seasonal workers (e.g. BG, HU, MK, RO, RS), temporary agency employees (e.g. NL, UK) and on-call and zero-hour workers (e.g. NL, MK). Secondly, some country-specific employment categories may be excluded from — or have only a partial access to — certain social benefit schemes: this is notably the case for workers with 'civil law contracts for a specific task' (PL), 'agreements to perform work/a job' (CZ), 'members of the management or supervisory body of a legal entity' (EE) and mini-jobbers (DE).

With regard to statutory access to social security for the self-employed, the main conclusion is that they generally have access to non-insurance based benefits. This is particularly the case for benefits and services financed by general taxes (e.g. family allowances, some forms of healthcare and long-term care) and certain means-tested benefits (e.g. social assistance and minimum income provisions for older people) which in most European countries are granted regardless of the employment status of an individual. The most problematic issue regarding statutory access to social protection for the self-employed concerns their access to certain benefits when these are organised on a social insurance basis, i.e. those based on social contributions from the employee and the employer.

In terms of the statutory access they provide to insurance-based (contributory) benefits, countries can be divided into four clusters:

- cluster 1 ('Full to High access') is made up of six countries (HR, HU, IS, LU, RS, SI) where the self-employed are required to be insured under all the insurance-based schemes discussed in this report;
- cluster 2 ('High to Medium access') consists of eight countries (AT, CZ, DK, ES, FI, PL, RO, SE) where the self-employed are not required to be insured under one or more insurance-based schemes, while salaried employees must be insured under all of them; however, the self-employed in these countries have the possibility to voluntarily opt into the scheme(s) concerned;
- cluster 3 ('Low to No access') comprises no less than 14 countries (BE, CH, CY, EL, FR, IT, LI, LT, LV, MK, MT, NO, SK, TR), where the self-employed cannot opt into one or more insurance-based schemes, while salaried employees are mandatorily covered by the scheme(s) concerned;
- cluster 4 ('Patchwork of Medium to Low access') consists of seven countries (BG, DE, EE, IE, NL, PT, UK) and represents a combination of features of clusters 2 and 3. The self-employed are not required to be insured under one or more insurance-based schemes while employees are mandatorily insured. But the self-employed have the possibility to opt into some schemes, while being excluded from others.

It is important to highlight that the boundaries between these clusters are rather fluid and there may be some important exceptions or specific cases.

It should also be noted that several Member States clearly see the promotion of self-employment as an important way of enhancing labour market opportunities for the unemployed and other disadvantaged groups. A variety of policy approaches are used across the 35 countries, including financial incentives, loan programmes offering preferential terms, fiscal incentives and entrepreneurship training.

**'Statutory' versus 'effective' access: meeting the eligibility conditions**

Even if non-standard workers are covered by a social protection scheme and thus formally have access to the related benefit, they may not have *effective access* to it because eligibility criteria are set in such a way that they have major difficulties meeting these. Typically, they may therefore experience partial exclusion or receive lower benefits than standard workers because of these difficulties. The take-up of benefits is often hindered for part-time and temporary workers by high hourly and contribution period thresholds. Moreover, the perception and the status of non-standard employment vary greatly among labour market cultures. For instance, if in some countries part-time work is widespread and allows for a certain standard of living (e.g. BE, NL), in others — mainly Central and Eastern European countries — it accounts for a marginal part of employment, which may even be perceived as 'involuntary unemployment', because part-time work would not provide enough for a living wage (e.g. BG).

The self-employed may encounter similar problems as non-standard workers. *De facto* coverage and entitlement accrual for them depend on eligibility conditions and in particular on the income assessment base taken into account for the calculation of benefits. In general, self-employed receive lower benefits and for shorter periods than salaried workers. This is often the case for unemployment benefits (e.g. DK, EE, EL, FI) and sickness benefits (e.g. BE, BG, CZ, FI, SI). The difficulties in building up entitlements and the inadequacy of the benefits are due to two main elements: a) eligibility conditions which are hard to meet, often because they have been tailored to salaried employment (e.g. contributory periods or cessation of activity requirements); and b) inadequate contribution rates/lump sum payments and, especially, the calculation of the income assessment base, which can be related to several issues: income paid on long previous periods of earnings, upfront payments (advance social security payments), payments of arrears, under- or non-reporting of income-streams, etc.

Many ESPN experts flag the highly problematic issue of under-insurance of the self-employed, and the fact that the latter frequently insure themselves at the minimum insurance threshold (e.g. BG, CZ, EE, EL, ES HU, PT, PL, RO, SI). In some countries, a towering 85% of the self-employed may be insured at the minimum level (e.g. BG, EE, ES, PL, RO). Under-insurance is also closely linked to informal work and tax-avoidance in some countries (e.g. BG, EE, LT, LV, SK, RO, TR).

At least in part the problem is that social protection generally is designed for people in standard employment and may then be rather insensitive to the situation of non-standard employment and self-employment. For the self-employed, the problem seems fundamental, in the sense that full *de facto* inclusion in social protection would require eligibility conditions and schemes tailored specifically to the conditions of the different categories of self-employed, in terms of contributions, accrual of entitlements and the calculation of benefits.

This Synthesis Report clearly demonstrates that both non-standard workers and the self-employed face a higher poverty risk than salaried workers. In 2015, the at-risk-of-poverty rate for the self-employed is higher than for employees in all EU countries, except in Hungary. The 'relative poverty position index' which compares the self-employed to salaried workers, shows that for the EU-28 as a whole, the poverty risk rate of the self-employed is an alarming three times higher.

**Recent labour market reforms and implications of extending social protection**

There have been diverse policy shifts in countries in recent years. Fewer reforms have targeted non-standard workers, as these usually benefit from the same statutory coverage as standard workers. Non-standard workers' greatest problem is related to meeting eligibility conditions. Moreover, reforms targeting them can be introduced 'by stealth', i.e. be put forward at the same time as major reforms for standard workers — for example, adjusting the eligibility conditions for certain schemes. Often, part-time work and temporary work have indeed been developed as part of a general employment policy to increase labour flexibility. Most reforms reported by ESPN experts extend coverage to

(country-specific) non-standard workers such as marginal part-timers in Austria and Germany, and civil law contracts in Poland and Slovenia. However, some experts highlight a reduction in social protection, as in Romania (deregulation of the Labour code), the Czech Republic and Norway.

With regard to the self-employed, experts from 18 countries (out of the 35 covered) report recent reforms aimed at extending social protection to the self-employed (AT, BE, CH, DK, HU, EE, EL, ES, IE, FI, FR, LT, NO, PT, RO, SI, TR, UK). We identify two types of reform: 'parametric' and 'paradigmatic'. **Parametric reforms** consist of changes in some parameters/ mechanisms of a scheme (e.g. changes in the calculation base, harmonisation of contribution rates, changes in the eligibility conditions). These have been identified in nine countries (DK, EE, ES, HU, NO, NL, PT, RO, SI). **Paradigm shifts** aim at extensive integration of self-employment into the social security system, such as creation of new statuses, all-encompassing harmonisation of the status of the self-employed and creation of new social benefit schemes in favour of the self-employed. Such reforms have been enacted in 14 countries (AT, BE, CH, EL, ES, IE, FI, FR, LT, LV, NO, PT, TR, UK).

These policy shifts are geared towards inclusion in social protection and have the potential to reduce socio-economic distortions between the statuses. They facilitate the transferability of social rights between statuses and the integration of different sources of earnings into an individual account. However, the high degree of differentiation between employment statuses remains a serious concern in Europe and a difficult challenge for national social security systems. It fuels a permanent tension between, on the one hand, employment and entrepreneurship policies, largely targeting increasing labour market flexibility and fiscal optimisation to lower labour costs; and, on the other, social protection policies guaranteeing universal social rights (e.g. healthcare, family benefits) and adequate social benefits (pension, unemployment benefits).

## CONCLUSIONS

The Synthesis Report presents the following conclusions regarding the place of non-standard work and self-employment in national labour markets and the way in which social protection systems (do not) deal with these forms of work.

### ***Structural and crisis-driven transformations: towards 'hybridisation' and 'aggregation' of employment statuses***

Since 2008, the share of non-standard workers (temporary and part-time workers) in total employment has increased substantially in most of the 35 countries. Over the same period, the share of the self-employed has decreased slightly, though the ranks of the 'own-account' self-employed have swelled significantly in many countries. Moreover, even if data are scarce, 'dependent self-employed' numbers have also risen significantly. Crucially, in 2015 the poverty risk rate for non-standard workers and the self-employed is considerably higher than for standard workers. The poverty risk rate for the self-employed is an alarming three times higher than that of salaried workers in the EU-28.

These evolutions have been driven by both structural labour market (e.g. digitalisation, globalisation, population ageing) and crisis-driven transformations which blur boundaries between labour market statuses and bring about their 'hybridisation' and aggregation. The increasing diversity of statuses has also been fostered by certain employment policies (e.g. mobility, fight against unemployment, occupational training) and the promotion of entrepreneurship. More and more persons work under alternative work arrangements with lower labour costs, thus leading to tension between the process of new labour market differentiation — often justified by social innovation or modernisation — and the objective of a fair social security system. Tax and social contribution exemptions play a key role for employers and employees in 'optimising' the use of social security benefits. These trends have even been enshrined in some countries' national legislation, such as the creation of specific statuses such as 'dependent' self-employment.

***Social security systems: improved access, but persistent difficulties with accrual of entitlements and benefit adequacy***

The 35 countries' social protection systems can be considered as '*High access*' with regard to statutory access to social security for *non-standard workers*: in most cases these are the same as for standard workers. However, some categories may have only partial access to social protection or even be excluded from it, as is the case for casual and seasonal, on-call, zero-hour and temporary agency workers, civil law contracts and mini-jobs. Oftentimes, non-standard workers encounter difficulties meeting eligibility conditions (e.g. hourly thresholds, contribution periods), which hamper take-up and adequacy of benefits.

The *self-employed* definitely have more limited statutory access to insurance-based schemes than salaried workers. Typically, they are excluded from access to sickness, unemployment and occupational injury benefits in many countries. The accrual of entitlements seems also more problematic for the self-employed than for salaried workers. They can also be subject to tighter eligibility conditions and shorter periods of receipt of benefits compared to salaried workers. In general, self-employed have lower coverage and receive lower benefits than salaried workers because of difficulties meeting eligibility conditions.

In general, social contribution rates of the self-employed are similar to the total 'employee' and 'employer' contribution rate of salaried workers, and the coverage of the self-employed depends strongly on the income assessment base taken into account for calculation of the contributions. In fact, the inadequacy of benefits seems to be largely caused by the definition of the income assessment bases. This can be related to several complex issues: income paid on long previous periods of earnings, upfront payments (advance social security payments), payments of arrears, etc. Moreover, the inadequacy of benefits may be related to under- or non-reporting of income. The extent of informal work in some Central, Eastern and Southern European countries also plays an important role in this respect.

The present Synthesis Report finds that social security systems which integrate all types of employment deal better with — and may facilitate and foster transitions between — different labour market statuses. Better integrating non-standard workers would imply adjusting contributory periods, hourly thresholds and tax exemptions to their situation in order to foster the accrual of entitlements. As for the self-employed, integration is first related to statutory access to benefits. In this respect, compulsory insurance may play a prominent role for improved inclusion in social protection systems. Second, in order to accrue entitlements, eligibility conditions and schemes specifically tailored for the needs of the self-employed are required. Moreover, income assessment bases and their payment should take into account the instability of the income and fixed costs of the self-employed.

In response to these concerns, some countries have recently implemented reforms aimed at extending social protection to the self-employed, and policy debates are ongoing in several countries.



## RECOMMENDATIONS

This part of the Synthesis Report primarily provides recommendations to the 35 countries under scrutiny and to the European Commission. These recommendations build upon those proposed by the 35 ESPN Country Teams in their national reports.

### a) Recommendations to countries

#### ***Non-standard workers***

*With a view to improving the social protection of non-standard workers, countries should:*

1. Implement minimum floors for social benefits in order to ensure that these workers have a decent standard of living.
2. Reinforce counselling as well as information and advice services so as to inform these workers about their labour and social protection rights as well as about training opportunities and possible steps to more permanent employment.
3. Tailor specific rules of social protection schemes to allow these workers to build up adequate entitlements.

*With a view to improving the social protection of temporary and temporary agency workers, countries should:*

4. Consider lowering contribution period thresholds for these workers and consider mechanisms making it possible to include contributions from interrupted contribution periods (e.g. caring periods for dependent persons).
5. Consider a quick path towards permanent employment for these workers after a number of renewals of successive fixed-term contracts (e.g. maximum of two years).

*With a view to improving the social protection of temporary and temporary agency workers, EU Member States should:*

6. Strictly monitor the effective implementation of EU Directive 1999/70/EC on fixed-term work, and especially the principle of equal pay for equal work as well as the use of exceptions (such as temporary agency work) in national law, collective agreements and practice. Member States should adequately enforce the national framework to prevent and penalise abuse of successive fixed-term employment contracts or relationships, especially regarding new forms of employment.

*With a view to improving the social protection of part-time workers, countries should:*

7. Consider monitoring contractually-defined working hours to avoid part-time employment becoming a facade for full-time employment with lower tax and social contribution costs.

*With a view to improving the social protection of the least protected non-standard workers such as marginal part-timers, seasonal and casual workers, on-call workers, and zero-hour and crowd workers, countries should:*

8. Grant these workers statutory access to the social protection schemes from which they are currently excluded and ensure their access to labour protection (health and safety at work as well as labour law).
9. Monitor the social and labour market situation of these workers and establish clear criteria for defining this type of employment. Countries should also enhance data collection on their numerical incidence, income and living conditions, educational profile, sector concentration and job quality.
10. Carefully monitor their labour and social protection arrangements as well as the taxation of these jobs in the digital economy. Countries should implement strategies

for enforcing national labour law in relation to these jobs and encourage peer-to-peer mutual controls among platform-based providers.

### ***Self-employed persons***

*With a view to improving the social protection of the self-employed, countries should:*

11. Consider extending and strengthening the rights of these workers to adequate social protection benefits. In particular, countries should:
  - strictly check the labour market status of the self-employed when registering in the social security system in order to avoid 'bogus self-employment';
  - increase fines and impose retroactive payments of contributions for employers who make use of bogus self-employment;
  - extend unemployment protection to the self-employed to cover the high risk of poverty they run in case of bankruptcy;
  - extend the possibilities for the self-employed to access insurance for occupational injuries, occupational diseases and preventive measures through health and safety regulations;
  - extend the possibilities for the self-employed to receive decent protection from day one in the event of sickness;
  - provide measures allowing for a better work-life balance to the self-employed by establishing specifically targeted leave, child-care facilities and care services for dependent persons;
  - examine the scope for granting dependent self-employed the right to participate in the negotiation and conclusion of collective agreements.
12. Consider improving the sustainability and adequacy of their social protection. In particular, countries should:
  - make insurance for social security schemes compulsory and reduce possibilities for exemptions;
  - implement minimum floors for social benefits in order to ensure them a decent standard of living;
  - better define the income assessment base used in the calculation of social contributions, in such a way that it corresponds to a large part of their actual earnings;
  - consider measures to fight against under-declaration of income and tax-avoidance in order to improve the financing of social benefit schemes and provide adequate benefits to the self-employed.
13. Fill information-gaps, and collect data on their income, employment and living conditions, in order to allow for a more complete and accurate assessment of the financial implications and labour market consequences of future reforms targeted at the self-employed.

### **b) EU-level recommendations**

14. Improving social protection for the self-employed and non-standard workers is essential to meeting the Europe 2020 employment and social exclusion targets and to making the proposed EU Pillar of Social Rights a tangible reality. In that respect, the EU should call for social protection for all: inclusive social protection schemes regardless of employment status, which would facilitate transitions between employment statuses and reduce the risk of poverty and social exclusion.
15. Improving social protection for the self-employed/non-standard workers should be linked to an active inclusion approach: income support (e.g. minimum income schemes, basic income) should be considered along with access to activation

measures and quality services. This approach should be applied to helping people not only into salaried employment but also into self-employment.

16. Innovative policy measures introduced by countries with a view to improving the social protection of self-employed and non-standard workers should be systematically identified and assessed. These could then be used to promote exchange of best practice in the context of better social protection. In that respect:
  - the European Commission and the Social Protection Committee should ensure a systematic exchange of information on this topic, through peer reviews and other EU policy learning tools. It will be important to involve all relevant stakeholders in this exchange;
  - adequacy of social protection of the self-employed and non-standard workers should continue to be monitored in the context of the European Semester.
17. EU institutions should consider cooperating with European social partners to:
  - carry out mapping/research on the profile, social protection and working conditions of the self-employed, as well as on labour market trends impacting on employment and self-employment;
  - develop a clear strategy at EU level to raise awareness about the working conditions and social protection of self-employed workers.
18. Consider revising EU Directive 1999/70/EC on fixed-term work in the light of the growth of new forms of non-standard contracts and hybridisation of labour market statuses.
19. Update the 'Written Statement' Directive (91/533/EEC) — which obliges employers to provide employees with a written statement on the essential aspects of the work contract or employment relationship — in such a way that it covers new forms of employment in general and the issue of 'bogus self-employment' more particularly.
20. Exchange of information between different data producers — at the EU and other international levels — is needed to improve knowledge about social protection of the self-employed and non-standard workers, especially about new forms of work driven by the digital economy. Such an exchange should include indicators on precarious employment and precarious income across different categories of employed persons. The EU's Social Protection Committee and its Indicators Sub-Group should play an important role in this respect.
21. The European Commission, the Social Protection Committee, the European Parliament and the European Economic and Social Committee should consider working towards criteria that could help to address the current grey area between the legal status of dependent and bogus self-employment. The European social partners should be consulted on this definition exercise.

## 1. SELF-EMPLOYMENT AND NON-STANDARD WORK IN NATIONAL ECONOMIES AND LABOUR MARKETS

This section first highlights the occurrence and the main trends in the incidence of self-employment and non-standard work (Section 1.1), discussing the situation of both categories in terms of poverty and social exclusion (Section 1.2)<sup>10</sup>. It discusses prevailing definitions (Section 1.3) and then reviews the main social policy measures aimed at fostering self-employment (Section 1.4).

### 1.1 SELF-EMPLOYMENT AND NON-STANDARD WORK IN EUROPE: TRENDS

In order to discuss non-standard work and self-employment, the definitions must first be clarified. A variety of definitions have been developed by international organisations. In some cases, self-employment is in fact classified as a form of non-standard employment. For instance, according to the OECD (2015), non-standard work includes self-employment (own account workers); temporary or fixed-term contracts; and part-time work.

Other definitions clearly distinguish between a) **salaried employment** comprising standard employment (i.e. full-time permanent contracts), and non-standard employment (e.g. part-time, temporary contracts, zero-hour etc.); and b) **self-employment**. According to the ILO (2016), non-standard work refers to 'jobs that fall outside of the realm of standard work arrangements, including temporary or fixed-term contracts, temporary agency or dispatched work, dependent self-employment, as well as part-time work, including marginal part-time work, which is characterized by short, variable, and often unpredictable hours'. The European Commission's definition of non-standard work refers to fixed-term contracts, temporary agency work, part-time work and independent contract work (European Commission 2015a).

For the purpose of their Thematic Reports, ESPN experts were asked to distinguish between self-employment and non-standard work. In this Synthesis Report, we follow this distinction. We discuss the incidence of these forms of employment in turn.

#### 1.1.1 SELF-EMPLOYMENT: OVERALL DECLINE AND GENDER BIAS

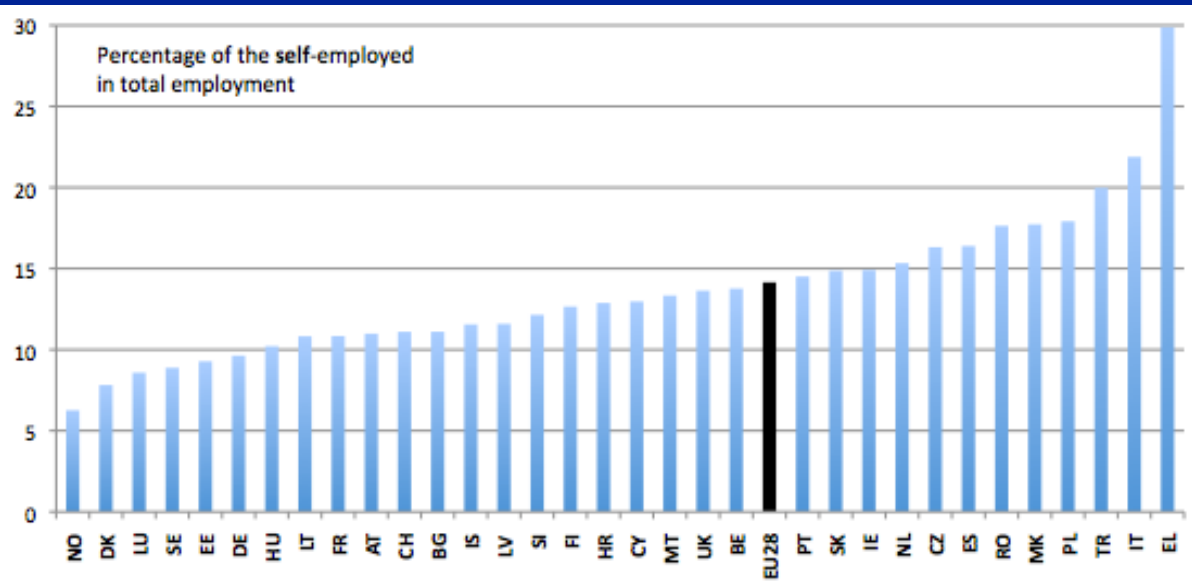
There were 30.5 million self-employed in the EU-28 in 2015, accounting for 14% of total employment. 71.5% of the self-employed were own-account self-employed (self-employed persons without employees). As shown in Figure 3, Southern and Eastern European countries have the greatest percentage of self-employed people, with Greece topping the charts (30%). In the former Yugoslav Republic of Macedonia (MK) and Turkey (TR), self-employment reached respectively 17.7% and 20.0% of total employment in 2015. At the other end of the spectrum, three Nordic European countries (DK, NO, SE) have the lowest proportion of self-employed workers — ranging from 6.3% in Norway to 7.8% in Denmark and 8.9% in Sweden. The Netherlands and Ireland are the only Western European economies above the European average, with self-employment rates of around 15% (EUROSTAT figures).

At EU-28 level, the self-employed were mainly concentrated in the following sectors in 2015: agriculture, forestry and fishing (15.3%), wholesale and retail trade (15.9%), construction (12.8%) and professional, scientific and technical activities (11.7%). There is a substantial variation across Europe. The share of self-employment is significantly higher in agriculture, forestry and fishing in Romania (69.4% of the total number of self-employed), the former Yugoslav Republic of Macedonia (46.5%) and Poland (41.9%) when compared to the United Kingdom (3.0%), Slovakia (4.7%) and the Czech Republic (4.2%). A significantly greater proportion of self-employed workers can be found in the wholesale and retail industry in Malta (31.3%), Bulgaria (27.6%), Spain (24.8%), Italy (22.7%) and

<sup>10</sup> In order to provide a comparative picture, these two sections refer to Eurostat data covering 33 out of the 35 countries analysed in this report (no data are available for LI and RS), rather than the national data provided by ESPN experts.

Turkey (21.3%). The United Kingdom, Slovakia, Norway, Iceland and Ireland have the largest proportion of self-employed in the construction sector (between 15 and 25%).

**Figure 3: Share of the self-employed in total employment, by countries\*, 2015, %**



Source: Eurostat, Employment by sex, age and professional status [Ifsa\_egaps].

\*No data for LI and RS.

The share of the self-employed in the total employment remains rather stable in many countries and does not follow the business cycle as does the unemployment rate (except in Greece). Figure 4 shows the trend in rates (%) of self-employment (red bars) and total employment (blue bars) between 2007 and 2015. Two main groups can be distinguished: a small group of countries with a growing share of self-employed workers (left hand side in Figure 4) and a much larger group of countries with a declining share of self-employed workers (right hand side).

Fifteen countries analysed in this report are characterised by a higher share of self-employed people in total employment in 2015 than in 2007 and can be divided into three subgroups. The first one comprises countries which are characterised by a higher growth in self-employed than the growth in employed people (BE, CZ, FR, LU, MK, SK, UK). The second group includes countries with a growth in the numbers of self-employed and a negative trend in the number of employees (FI, EE, LV, NL, SI). The third group is characterised by a smaller decline in self-employed than the negative trend in the number of employed people (BG, ES, EL).

**Figure 4: Trend rates of the self-employed in the share of self-employed and employed (%), by countries\*, between 2007 and 2015 (%)**

Source: Eurostat, Employment by sex, age and professional status [lfsa\_egaps].

\*No data for LI and RS.

A large group of 19 countries (LI and RS are missing from the data) experienced a decline in the share of the self-employed in total employment. This group is made up of three subgroups. The first comprises countries that are characterised by a lower growth in the self-employed than in the employed people (AT, MT, PL). The second group includes countries with a decrease in the number of self-employed but an increase in the number of employed people between 2007 and 2015 (CH, DE, HU, IS, NO, SE, TR). The third group is characterised by negative trends in both categories, but the rates of decrease of the self-employed are higher than the decrease in employed people (DK, CY, HR, IE, IT, LT, RO, PT).

EU-level data show that self-employed people in Europe are often male. In 2015, the self-employment rate for women in the EU28 was 9.9%, well below the rate for men: 17.8%. There are wide differences in the rates across individual countries. Self-employment rates for women were highest in Greece (22.5%), Italy (15.9%) and Poland (13.1%) and lowest in Norway (4.3%), Denmark (4.8%), Sweden (5.4%) and Estonia (6.4%). Over the period 2007 to 2015, the self-employment rate for women increased in 21 of the 35 countries analysed in the present report. The largest increases were found in Luxembourg (68%), Slovakia (44.5%), Malta (37%) and the former Yugoslav Republic of Macedonia (36%). At EU-28 level, female self-employed workers in 2015 were mainly occupied (like their male counterparts) in the following sectors: wholesale and retail trade, agriculture, forestry and fishing, and finally professional, scientific and technical activities. Outside these sectors, there is a marked gender bias, with women much more present in the health and social work sector (12.8%, compared to 3.3% for male) and far less present in the construction sector (1.4%, compared to 18.3% for male).

The self-employed tend to be older than employees. In 2015, the self-employed accounted for just 4.2% of the 15-24 age group in the EU as a whole. They were primarily concentrated in construction (14.7%), agriculture, forestry and fishing (13.7%), wholesale and retail trade (12.8%), and accommodation and food service activities (7.3%). The relative number of self-employed in this age group varied markedly, ranging from 12-13% in Italy and Romania to just 1.3% in Denmark, Ireland and Switzerland. At the other end

of the age scale, the self-employed made up 18.5% of total employment for people aged 50-64 in 2015, and as many as 47% of those aged 65 and above. The share of the self-employed in the older age groups was particularly large in Greece, amounting to 44.0% of those aged 50-64. The same age cohort also accounted for a high percentage in the other Southern Member States as well as in Poland, Romania, the Netherlands and Ireland. The lowest shares were found in Estonia (10.2%), Denmark (10.7%) and Norway (9.2%). The highest self-employment rates for over-65s are found in Portugal, Italy, Greece and Romania, at respectively 79.2%, 73.5%, 70.0% and 68% of total 65-plus employment. The high number of self-employed in the 65+ group may be explained by the fact that people who retire, continue to work on their own account, often on a part-time basis. In Romania and Portugal, it also reflects a tendency by a significant number of those working in agriculture (and fishing in PT) to continue working into relatively old age (Fondeville *et al.* 2015).

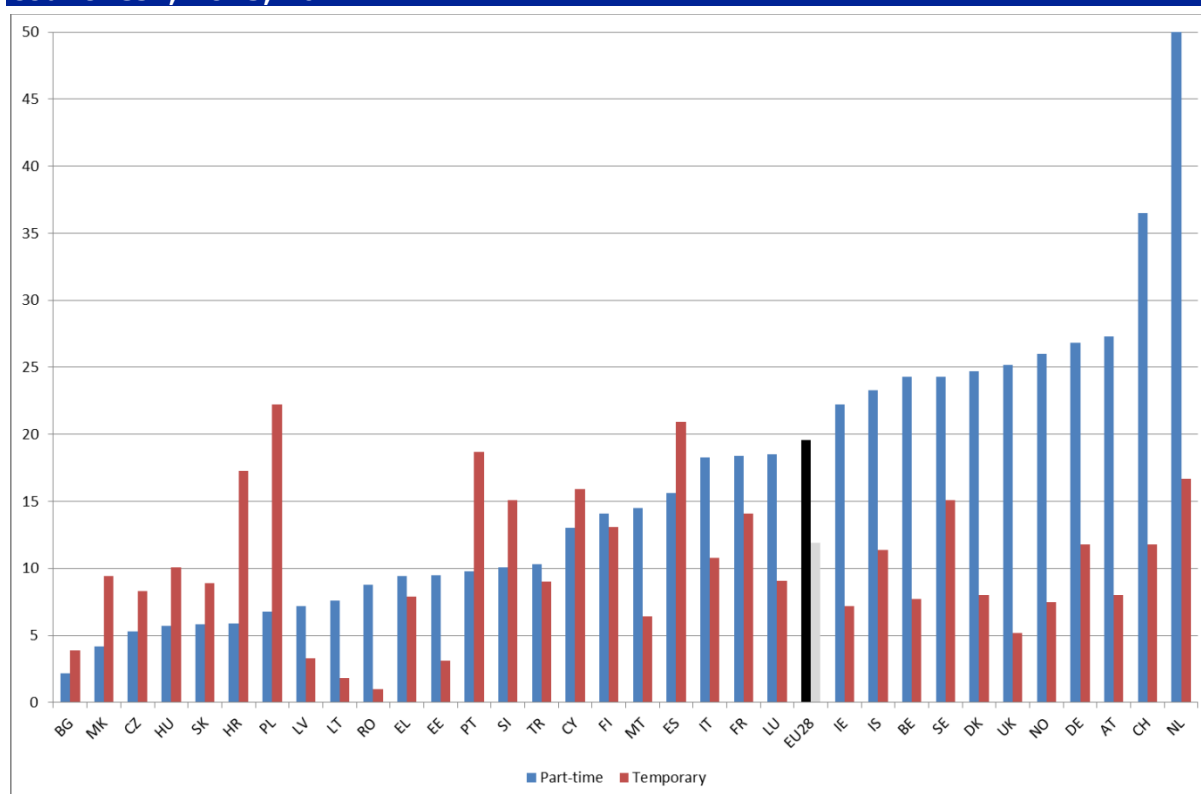
In the EU-28, 38% of the self-employed without employees were registered as managers, professionals or associate professionals in 2014, while around 25% were agricultural or elementary workers. 16% were reported to be sales or service workers and 21% skilled or semi-skilled manual workers such as craft and related trade workers. The occupations of the self-employed vary considerably across countries. Whereas in the Netherlands, Belgium, Germany and Luxembourg, well over 50% of the self-employed without employees worked as managers, professionals or associate professionals in 2014, in Greece, Bulgaria and Poland the figure was less than 25%, in Croatia and Lithuania under 15%, and in Romania just 3%. In all countries, apart from the Czech Republic, Greece and Hungary, the proportion of self-employed without employees working as managers or professionals increased over the 2007-2014 period, though the increase was marginal in Romania and Slovakia (Fondeville *et al.* 2015).

### **1.1.2 NON-STANDARD WORK: AN INCREASE OF TEMPORARY AND PART TIME EMPLOYMENT**

The proportion of the EU-28 workforce in the 15-64 age group reporting that their main job was part-time increased steadily: from 17.5% in 2007 to 19.6% by 2015. As shown in Figure 5, by far the highest proportion of part-time workers in 2015 was found in the Netherlands (50%), followed by Austria, Germany, Belgium, the United Kingdom, Sweden, Ireland and Denmark, where part-time work accounted in each case for more than a fifth of those in employment. This is also the case in three non-EU members: Norway (26%), Iceland, (23.3%) and Switzerland (36.5%). By contrast, part-time employment is relatively uncommon in Bulgaria (2.2%) as well as in the Czech Republic, Slovakia, Hungary and Croatia (between 5.2% and 5.3%).

In some countries, non-standard employment is rare, and people may consider it to be an involuntary status. For instance, the ESPN Bulgarian expert refers to research showing that non-standard workers are most often looking for more secure jobs and 'subjectively perceive their own situation as a type of unemployment'. A considerable proportion of Bulgarian part-time workers (59% in 2015) consider themselves 'involuntary' part-time workers. According to the ESPN Romanian experts, there is a practice of hiring part-time workers, but having them informally work full-time. This significantly reduces labour costs for employers, but also the future benefits of employees.

The incidence of part-time work differs significantly between men and women. Just under one third (32.1%) of women aged 15-64 who were employed in the EU-28 worked on a part-time basis in 2015, a much higher proportion than the corresponding share for men (8.9%). 76.9% of women employed in the Netherlands worked on a part-time basis in 2015, by far the highest rate among the EU Member States. In 2015, the proportion of employees aged 15-64 in the EU-28 with a fixed-term employment contract was 11.9% (Figure 5, red bars). More than one in five employees in Poland (22.2%) and Spain (20.9%) had a temporary contract. Among the remaining Member States, the share of employees working on a contract of limited duration ranged from 18.7% in Portugal, down to 1.8% in Lithuania and 1.0% in Romania.

**Figure 5: Share of temporary and part-time workers in total employment, by countries\*, 2015, %**

Source: Eurostat, Part-time employment and temporary contracts — annual data [lfsa\_eppga and lfsi\_pt\_a].

\*No data for LI and RS.

Over the period from 2007 and 2015, there was a widespread increase in the share of part-time workers, though it declined in Croatia, the former Yugoslav Republic of Macedonia, Lithuania, Norway and Poland. The share of temporary jobs increased in most countries but declined in 11 (BG<sup>11</sup>, DK, DE, ES, FI, LT, LV, RO, SI, NO) and particularly in Spain (5.3%).

It should be noted that over the last three years (2014-2016) the increase in the number of permanent employees has exceeded the increase in the number of temporary employees. Thus, in the year preceding the third quarter of 2016, the number of employees with a permanent contract increased by 2.8 million (1.8%) in the EU-28, while the number of employees with a temporary contract increased by 420,000 (1.6%). Similarly, full-time employment has increased faster than part-time employment for nearly three years. In the year up to the third quarter of 2016, the number of full-time workers increased by 2.8 million (1.6%) while the number of part-time workers increased by 370,000 (0.9%) (European Commission 2017).

## 1.2 INCOME POVERTY AMONG THE SELF-EMPLOYED AND NON-STANDARD WORKERS

The main characteristics of social protection for the self-employed, compared to salaried workers, is that the low level of contributions leads to low benefits, fuelling a vicious circle: low business revenue partly explains the low contributions of the self-employed to their social protection schemes, which, in turn, produce or maintain a higher degree of poverty risk than among salaried workers. The index showing the relative poverty risk of the self-

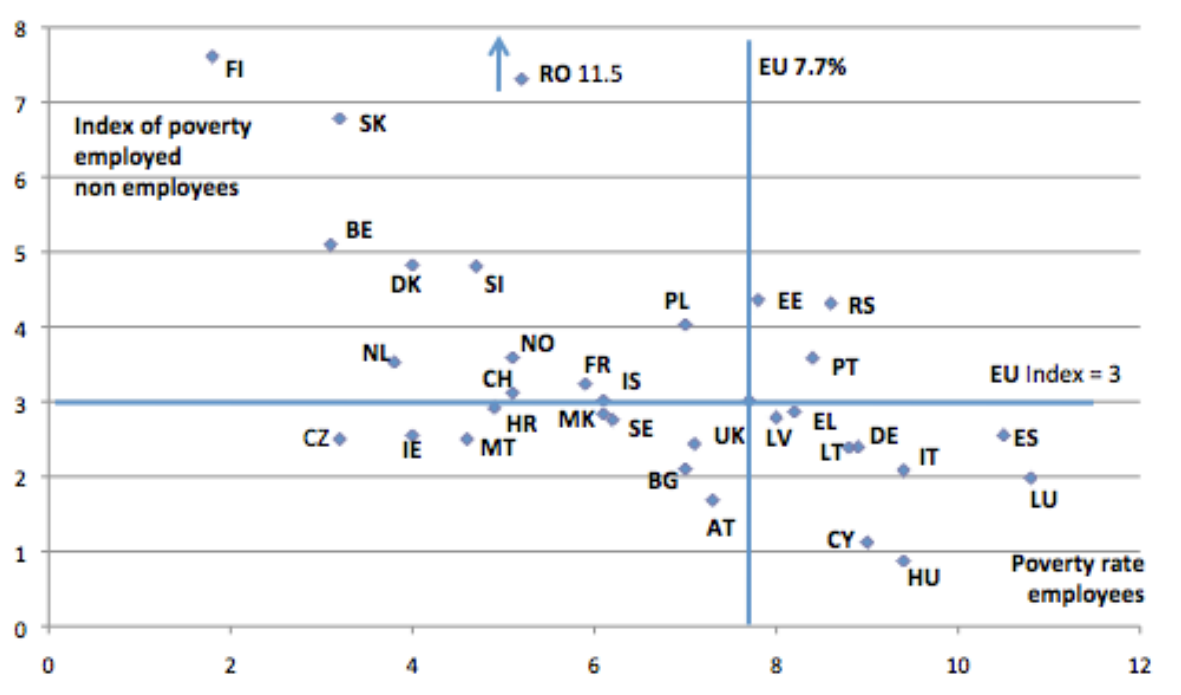
<sup>11</sup> Regarding Bulgaria, it should be noted that in 2010 and 2011 there is a break in the time series, which apparently results in a significant decline in the share of temporary jobs for purely methodological reasons. In addition, the data for Bulgaria are very volatile: in 2013, the number was higher than in 2007, in 2014 it was almost the same as in 2007, then there was a sharp drop in 2015.



employed as compared to salaried workers shows that in 2015 their at-risk-of-poverty rate in the EU28 was three times higher than that of salaried workers (Figure 6), with the exception of Hungary.

Figure 6 shows a negative correlation between the position of the self-employed when compared to employees (- 0.6). On the one hand, Finland, Romania and Slovakia are characterised by a rather low poverty risk rate among employees but a very high poverty risk rate among the self-employed (more than 6 times the employees' rate). On the other hand, Cyprus and Hungary are characterised by a rather high poverty risk rate among salaried workers but similar rates for the self-employed.

**Figure 6: Relative poverty risk position of the employed non-employees\*, by countries\*\*, 2015, %**



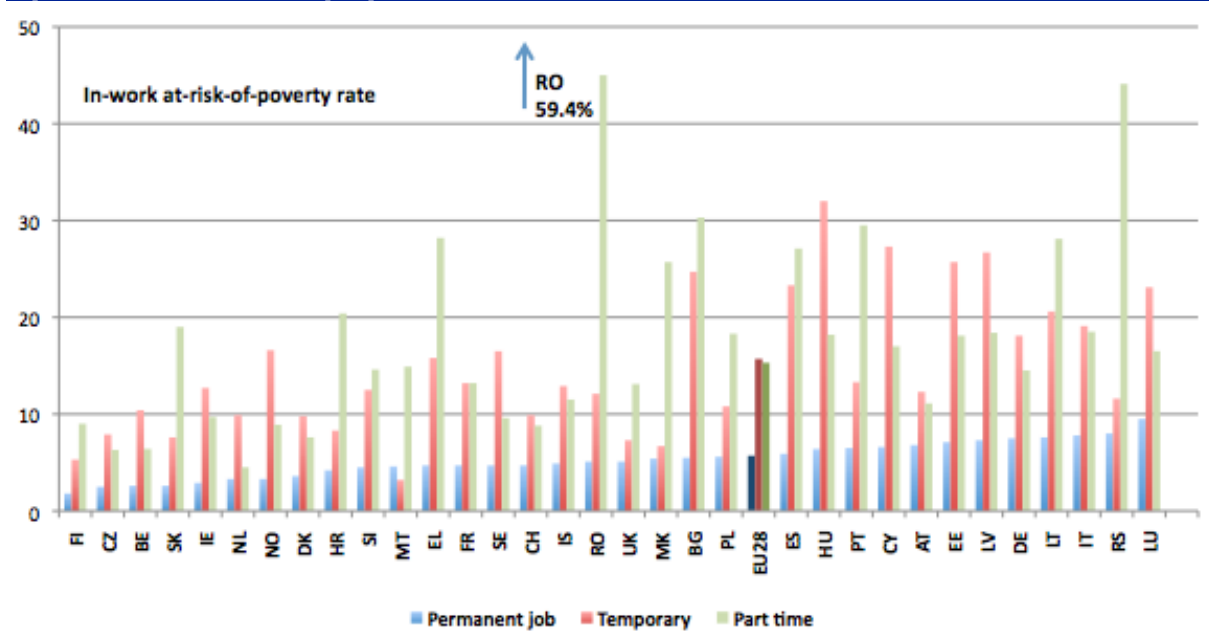
Source: Eurostat, at-risk-of-poverty rate by poverty risk threshold and most frequent activity in the previous year [ilc\_li04].

Note: the index is the ratio between the poverty risk rate of employed non-employees and the rate of employees (EU definition of poverty risk threshold: see above).

\* Employed non-employees include the self-employed *stricto sensu* and family workers.

\*\*No data for LI and TR.

As was the case with self-employed, everywhere in Europe (except in Malta), poverty risk rates for non-standard workers in 2015 were higher than those for workers with a permanent and full time job. On average, in Europe (EU28), around 15% of temporary and part-time workers are income poor. Figure 7 shows that the in-work at-risk-of-poverty rates are not at all correlated between categories of non-standard workers. In 17 countries, temporary workers are more frequently income-poor than part-time workers, especially in Cyprus, Estonia, Hungary, Latvia, Norway and Sweden. However, the most striking phenomenon is the very high poverty risk rate of part-time workers in Romania and Serbia, and also a considerable difference compared to the poverty risk rate of temporary workers in Croatia, the former Yugoslav Republic of Macedonia, Greece, Malta, Portugal and Slovakia.

**Figure 7: In-work at-risk-of-poverty rate of employees according to their status, by countries\*, 2015 (%)**

Source: Eurostat, Employees with a temporary job (ilc\_iw05); Employees at part-time ( ilc\_iw07).

Note: countries are ranked according to the growing poverty risk rate of workers with permanent jobs.

\*No data for LI and TR.

### 1.3 THE LACK OF COMMONLY AGREED DEFINITIONS

The analysis provided in this section combines a synthesis of experts' reports and relevant information from other European and international sources.

#### 1.3.1 NON-STANDARD WORK: FROM PART-TIME AND TEMPORARY WORK TO 'NEW FORMS OF EMPLOYMENT'

Despite the growing interest in non-standard employment, there is no universal definition of this reality. Our analysis is based on the ILO definition of non-standard work (see Section 1.1)

Part-time employment tends to be defined on the basis of weekly hours of work – usually fewer than 30, although national definitions differ as to the precise threshold. Temporary employment includes jobs of limited duration under a fixed-term contract, as well as casual, seasonal, and on-call or zero-hour work (ILO 2016). In some countries (AT, BE, CZ, DE, HU, PT, UK), ESPN experts mention specific categories of non-standard workers: marginal freelance contract workers (AT); flexi-job workers (BE), workers under an agreement to perform work and to complete a job (CZ); mini-jobbers (DE); workers under a simplified employment scheme (HU); teleworkers and intermittent workers (PT); workers under annualised hours' contracts and term-time working (UK). Civil law contracts (CCs — commission contracts or contracts for a specified task) (EE, PL).

In addition to the traditional types of non-standard work, new forms of employment have recently emerged and may be classified as non-standard. Eurofound (2015) identifies eight employment forms as new — or of increasing importance — since 2000: employee sharing, job sharing, interim management, casual work, ICT-based mobile work; voucher-based work; portfolio work; crowd employment; and finally, collaborative employment (see Table 1).

**Table 1: New forms of employment in the EU 28 and Norway**

New forms of employment (NFE)	Characteristics	Countries in which NFE have been identified
Employee sharing	An individual worker is jointly hired by a group of employers to meet the human resources needs of various companies.	AT, BE, BG, CZ, DE, EL, FI, FR, HU, LU
Job sharing	An employer hires two or more workers to jointly fill a specific job, combining two or more part-time jobs into a full-time position.	CZ, HU, IE, IT, PL, SI, SK, UK
Interim management	Highly skilled experts are hired temporarily for a specific project or to solve a specific problem.	CZ, EL, FR, HR, HU, LV, NO, UK
Casual work	An employer is not obliged to provide work regularly to the employees, but has the flexibility of calling them in on demand.	BE, FR, FI, HR, HU, IE, IT, NL, RO, SE, SI, SK, UK
ICT-based mobile work	Workers can do their job from any place at any time, supported by modern technologies.	BE, CY, DE, DK, EL, ES, FI, FR, HU, LV, LT, NL, NO, PT, SE, SI
Voucher-based work	The employment relationship is based on payment for services with a voucher purchased from an authorised organisation that covers both pay and social security contributions.	AT, BE, EL, FR, HR, IT, LT, SI
Portfolio work	A self-employed individual works for a large number of clients, doing small-scale jobs for each of them.	CY, DK, EL, HU, IT, LT, LV, NL, NO, PT, UK
Crowd employment	An on-line platform matches employers and workers, often with a larger task being split up and divided among a virtual cloud of workers.	BE, CZ, DE, DK, EL, ES, FI, IT, LV, LT, PT, UK
Collaborative employment	Freelancers, the self-employed or micro-enterprises cooperate in some way to overcome limitations of size and professional isolation.	AT, BE, CY, DE, EL, ES, FI, FR, HR, HU, IT, LT, NL, SE

Source: Eurofound (2015), ESPN national experts' reports (2017).

In many Eastern European Member States (BG, CZ, HR, PL, RO, SK, SI) and also in some Nordic European countries (FI, IE, LU, NL), the new forms of employment mostly concern employees, while those found in most Southern European countries (CY, EL, ES, PT), the Baltic states (LT, LV), Denmark and Germany generally involve the self-employed. New forms of employment for both employees and the self-employed have emerged in several Central and Nordic European countries (AT, BE, FR, HU, IT, NO, SE, UK). For Estonia<sup>12</sup> and Malta, no new forms of employment have been identified (Eurofound 2015).

### 1.3.2 DISTINGUISHING BETWEEN 'TRADITIONAL', 'DEPENDENT' AND 'BOGUS' SELF-EMPLOYMENT

At national level, a variety of legal situations prevails. As shown in Table 2, some 33 countries provide definitions of traditional self-employment. There is generally no uniform definition, as self-employed workers are defined in various ways in labour law (AT, BG, CZ, FI, ES, LV, RS, SI), tax law (AT, BE, DE, DK, EE, HR, IS, LI, LT, NL, NO, PT, RO, SE), trade law (EE, LI, PT, RS, SK), civil law (EE, IT) and social security law (AT, BE, BG, CH, CY, CZ, DE, DK, EL, ES, FI, FR, HR, IS, LT, LU, LV, MK, MT, NO, PL, SI, TR).

<sup>12</sup> No new forms of employment were identified for methodological reasons. For instance, the Estonian expert highlights that job sharing in his country is considered an 'old' form of work similar to part-time work.

**Table 2: National definitions of self-employment**

Definition	Country
Legal definition	AT, BE, BG, CH, CY, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU, IS, IT, LI, LT, LU, LV, MK, MT, NL, NO, PT, PL, RO, RS, SE, SI, SK, TR
No legal definition	UK, IE
Other terms than 'self-employed'	FI, HU, LI, NL, RS, PL

Source: ESPN national expert's reports (2017), Barnard and Blackham (2015), Eurofound 2010.

From the ESPN national expert's reports, we can conclude that self-employment is mainly defined by three criteria: own-account activity, risk assumption and profit-purpose. In Switzerland, Liechtenstein and Norway, these criteria are cumulative, while in other countries, the main criterion taken into account to determine whether someone is self-employed as such is related to the absence of subordination (e.g. BE, DE, FI, FR, IT, LT, SI). In a third group of countries, both own-account activity and profit-purpose constitute elements defining self-employment (e.g. CY, EL, ES, HR, MK, NL, RS). ESPN experts from Iceland and Switzerland mention an additional element required under their national definition: the permanence of the activity and the obligation to work for more than one client. In countries such as the United Kingdom and Ireland there are no legal definitions of self-employment but rather judicial guidance (UK) or codes of conduct (IE) in cases dealing with tax and employment laws (Barnard and Blackham 2015; Eurofound 2010).

For some countries (e.g. BG, FI, HU, LI, NL, PL) ESPN experts mention the use of alternative terms, rather than the label 'self-employed'. For instance, in Hungary the terms 'sole proprietor' or 'sole trader' are used. The term 'entrepreneur' is used in Finland, Hungary, Liechtenstein, the Netherlands and the Republic of Serbia while in Poland 'conducting business activity outside agriculture' is the expression used.

Eurofound (2010) identifies five basic categories of self-employment: (i) entrepreneurs<sup>13</sup>; (ii) traditional 'free professionals'<sup>14</sup>; (iii) craftworkers, traders and farmers; (iv) self-employed workers in skilled but unregulated occupations<sup>15</sup>; and (v) self-employed workers in unskilled occupations<sup>16</sup>. As reported by the Latvian ESPN expert, one specific category is composed of micro-enterprises. In this country this is a company: (i) that employs up to 5 employees, (ii) the annual turnover of which does not exceed €100,000, (iii) where all shareholders are natural persons and (iv) where the monthly salary of any employee may not exceed €720. The total number of those employed in micro-enterprises has rapidly grown<sup>17</sup>: in the second quarter of 2016 they numbered more than 100,000, representing no less than 11% of all Latvian employees. The French expert also describes 'auto-entrepreneurs' as a growing, specific, category of self-employed. This category includes people involved in commercial and craft activities and non-regulated liberal professions. The turnover earned by an auto-entrepreneur must not exceed specific thresholds: €82,200 for sales and €32,900 for service activities (2016). Economically-active auto-entrepreneurs in France represent 31% of the self-employed (excluding the agricultural scheme).

<sup>13</sup> Entrepreneurs run their business with the help of employees.

<sup>14</sup> In order to work in their occupation, traditional free professionals must meet specific requirements, abide by regulations and duty-bound codes and often pass examinations to be listed in public registers. They can hire workers, but they generally carry out their activities alone or in association with other professionals and with the help of a limited number of employees, if any.

<sup>15</sup> Sometimes referred to as 'new professionals'.

<sup>16</sup> Self-employed workers in unskilled occupations typically run their business without the help of employees, but can sometimes be assisted by family members.

<sup>17</sup> According to the Latvian ESPN expert, the reverse trend can be observed in 2017: the number of micro-enterprises has decreased due to recent changes in the tax rate, but accurate statistical data on the number of micro-enterprise employees is not yet available.

Besides the traditional form of self-employment, one should distinguish 'dependent self-employment'<sup>18</sup>. This is usually understood as a working relationship where the worker is formally self-employed yet under conditions of work similar to those of dependent salaried workers (Eichhorst *et al.* 2013). Following ILO definition, dependent self-employment must be distinguished from bogus self-employment: the latter is a situation where an employer wrongfully treats a worker as an independent contractor and hides their true status as a wage employee. Some countries (AT, DE, ES, IT, PT, SI) have adopted specific provisions to extend some protection to dependent self-employed and are therefore sometimes considered to fall into a sort of hybrid category between employment and self-employment (ILO 2016).

In a few countries (e.g. ES, PT, SI), dependent self-employment is formally defined. As highlighted by the Spanish experts, economically dependent self-employed workers (*trabajador autónomo económicamente dependiente*) are defined as those self-employed workers whose economic activity is developed predominantly for a single client on which they depend for at least 75% of their income, do not employ third parties, have their own production infrastructure, organisational independence and their income depends on the work carried out. The Portuguese ESPN experts refer to fiscal law, drawing a distinction between income from 'dependent work' and 'independent work': when a contracting entity benefits from at least 80% of the total value of the self-employed worker's yearly activity, the worker is considered to be economically dependent. Another example may be found in the Slovenian ESPN expert's report. In Slovenia, a self-employed person is considered to be an economically dependent person when she/he performs work on the basis of a civil contract in person, for payment, independently and for a longer period in circumstances of economic dependency, and does not employ any workers. Economic dependency means that the person obtains at least 80% of his or her annual income from the same contracting authority.

The social rights of the dependent self-employed are sometimes regulated through a hybrid legal category between genuine self-employment and salaried employment. These categories guarantee some labour rights to the dependent self-employed. Experts from Austria, Germany and Italy mention such hybrid legal categories. These categories include free service workers ('freelance contracts') and new self-employed in Austria; workers performing 'employer coordinated freelance work' (*Contratto di Collaborazione Coordinata e Continuativa*, co.co.co) or 'project work' (*Contratto di Collaborazione a progetto*, co.co.pro) in Italy.

Fifteen ESPN national experts (CY, DE, DK, EE, EL, HR, IE, IS, LI, LU, LV, MK, NO, TR, UK) report a lack of official statistics or reliable data on whether self-employment is estimated to have taken the form of dependent self-employment, even if it is a policy issue. For a few countries, some data are available (e.g. ES, FI, IT SI, SK). For instance, according to the national expert, estimates are available in Italy revealing that 1.1 million persons were considered as dependent self-employed in 2010 (including family workers), corresponding to 20% of the self-employed. In Finland, the share of dependent self-employment is estimated at 1,500-12,000 persons (0.5-4.3% of non-agricultural self-employment). In two countries (SI and SK), data can be gleaned from labour force surveys<sup>19</sup>. According to the Slovakian expert, the extent of dependent self-employment started to be estimated in 2010. During the first monitored years, the number of dependent self-employed increased, peaking in the second half of 2013. There were 107,600 bogus self-employed in the third quarter and 106,400 in the fourth quarter of 2013.

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<sup>18</sup> To be more precise, ILO defines dependent self-employment as working relationships where workers perform services for a business under a contract different from a contract of employment but depend on one or a small number of clients for their income and receive direct guidelines regarding how the work is to be done (International Labour Office 2013).

<sup>19</sup> According to the Slovenian expert, the additional question related to 'the work for mainly one client and in the premises of that client' allowed to highlight a significant increase in the number of persons who may be considered as bogus self-employed in the period 2012-2015 (from 3.8% in 2012 to almost 6.6% in 2015). Assuming that the data on 'the work for mainly one client' contains both economically dependent and 'bogus'/dependent self-employed, a rough estimate would be that the share of economically dependent self-employed increased from 4.0% to 5.6% in the same period.

In another group of countries (e.g. BE, CZ, HU, PT, LV), labour inspectorates are able to provide some figures based on the cases they deal with. For instance, according to the Hungarian ESPN experts, bogus self-employment accounted for 2.52% of all employee-related infringements in 2015. In Portugal, 478 irregular situations were detected during the same year, from a total of 1,124 inspections.

As underlined by ESPN experts from Germany, Finland, Ireland and Sweden, the issue of dependent self-employment is associated with specific sectors: construction, transport, cleaning services, financial, insurance and facility services, media, IT, airline, food processing sector, etc. In other countries (e.g. BE, CZ, DK, NO, SE), specific groups of people, including Central and Eastern European migrants and non-EU nationals, are identified as strongly connected to the phenomenon.

ESPN experts from Belgium, Estonia, Malta, Portugal and Slovakia mention various steps taken over the years to deal with dependent self-employment. In Slovakia, the definition of dependent work was tightened in 2013 and 2015 to prevent labour-law relations being replaced by other forms of contractual relations and to support the transition of the bogus self-employed to standard employment relationships. In 2006, Belgium adopted new legislation on the nature of labour relations to ensure legal security and to fight the phenomenon of bogus employment. In Portugal, a law (2013) established a duty for labour authorities to open an enquiry procedure whenever they were informed of a case of self-employment with features of subordinate employment<sup>20</sup>. National case law is of some importance in this matter as well. As reported by the Estonian ESPN expert, the Supreme Court (*Riigikohus*) delivered three significant decisions (in 2014 and 2015) which supported the position that in some cases, service agreements between companies can be considered a fraudulent form of (self-) employment, for the purpose of avoiding employment taxes, including social security contributions<sup>21</sup>.

#### **1.4 SOCIAL POLICY MEASURES AIMED AT FOSTERING SELF-EMPLOYMENT**

A variety of policy approaches are used across the 35 countries analysed in this report to support entrepreneurship and self-employment. Although some measures may target any candidate entrepreneur, most measures reported by the ESPN national experts aim at facilitating the transition from unemployment to self-employment. As shown in Table 3 below, measures used to incentivise jobseekers and potential entrepreneurs to set up their own business include financial incentives, loan programmes offering preferential terms, fiscal incentives and entrepreneurship training. Access to financial incentives is generally conditional on eligibility criteria and on the existence of a viable business plan, in order to avoid abuse and fraud and to improve the sustainability of outcomes. Regarding the unemployed, measures usually target unemployment benefit recipients and the registered unemployed (EEPO 2014).

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<sup>20</sup> The Supreme Court decisions also simplified the administrative and legal procedures, especially by setting short periods for each step to be completed and by clarifying the roles and responsibilities of each party in the process — employer, employee, labour inspectorate, public ministry and labour courts.

<sup>21</sup> The *Riigikohus*' decisions stipulated that service agreements between companies are considered employment relationships if one establishment works for another company subject to the management and control of the company.

**Table 3: Overview of measures currently in use across 35 European Countries**

Type of measures	Countries where such measures are in use
<b>Financial incentives</b>	CZ, EE, FI, FR, HU, LI, LT, PL, PT, RS, SE, SI, SK
Link to unemployment benefit (UB)	
- Conversion of UB	ES, FR, HR, LU, PT, RS
- Replacement of UB	AT, DE, IE
- UB continued or adjusted during support	BE, DK, IS, NL
<b>Tax and social security exemptions</b>	CY, EE, ES, FR, IT, LV, NL, PL, SK, SE, SI
<b>Preferential loans</b>	CY, DE, FR, ES, IT, LV, NL, PL, RS, SE, SK
<b>Training, coaching, consultancy</b>	AT, BE, DE, EE, FI, IT, LI, RS, SE, TR

Source: adapted from EEPO (2014), ESPN national experts' reports (2017).

A first set of measures aimed at fostering self-employment involves financial incentives. Several countries including the Czech Republic, Finland, Hungary, Lithuania, Poland, Portugal, Serbia, Slovakia and Slovenia offer a one-off subsidy. Temporary allowances or subsidies can also be paid in several payments serving as income support during the initial phase of launching the business. For instance, in Hungary, beneficiaries of the Support for Entrepreneurship (*vállalkozóvá válási támogatás*, VVT) start-up programme receive wage support for the first six months of activity in self-employment, at the level of the minimum wage. In Liechtenstein, a person previously unemployed who starts a new business may be granted a subsidy based on certain criteria during a 90-day start-up phase. In Iceland, during the crisis the government allowed the unemployed to keep their unemployment benefits for up to 6 months to subsidise wage payment as a way to facilitate entrepreneurship. Some countries offer transitional grants to those setting up a business to cover specific set-up costs, such as training costs in France, and general operating costs of newly established start-ups in the Czech Republic and in Slovakia.

Measures to continue converting or replacing unemployment benefit with financial assistance to those starting a business can be considered as sub-categories of financial incentives. These measures are described as 'welfare bridges'<sup>22</sup>. As indicated by the Danish and Dutch experts, beneficiaries receive a decreased level of unemployment benefit while a company is being set up. The Belgian experts indicate the possibility of cumulating unemployment benefit with complementary business revenues to enhance income security.

Experts from Spain and Portugal report on the possibility for applicants to receive part of their total unemployment benefit entitlement in instalments to support their entrepreneurial project or as a lump-sum payment (e.g. HR). Another group of countries (e.g. AT, DE, IE, UK) have set up schemes to foster the transition between unemployment and self-employment. As indicated by the Austrian expert, the level of support provided during the first months of self-employment corresponds to that of the applicable unemployment benefit or unemployment assistance/subsistence allowance (*Beihilfe zur Deckung des Lebensunterhaltes*, DLU), including any family supplements. The British experts describe the *New Enterprise Allowance* in the United Kingdom as a weekly allowance paid for up to 26 weeks. In Germany, the *Enterprise Subsidy* can be made available to unemployed persons who still have at least 150 days' entitlement to unemployment benefit on entering self-employment. As mentioned by the Irish experts, the *Back to Work Enterprise Allowance* encourages the long-term unemployed to take up opportunities for self-employment by allowing them to retain (over a two-year period) a diminishing proportion of their social welfare benefits.

<sup>22</sup> The term 'welfare bridges' is used to categorise policies that allow an individual to continue receiving benefits or entitlements while they set up their own enterprise. Through these bridges, unemployed individuals receive an income support while they are setting up an enterprise, to provide a means of sustenance to encourage self-employment (OECD/European Commission 2014:160).

A second set of start-up incentives identified among the countries involves tax or social insurance contribution exemptions. Various countries (e.g. CY, ES, FR, IT, PL, SE, SI, SK) have adopted fiscal measures as part of broader entrepreneurship/ small and medium-sized enterprises (SME) policies. There are specific fiscal conditions linked to the 'auto-entrepreneur' status in France. For instance, the Spanish experts mention fiscal incentives introduced by a 2013 law providing support for entrepreneurs. Other examples from ESPN national reports include the micro-enterprise tax regime in Latvia; deduction of water and electricity activity expenses in Spain; tax deductions for domestic services in Sweden; fiscal deductions in Italy (for some categories of businesses, such as those created by women and young people and innovative businesses); a 50% tax exemption on investment in innovative and start-up companies (up to €150,000) in Cyprus; the 'entrepreneurs' deductions in the Netherlands; lower contributions rates in Slovenia (in the first 12 months of operation the self-employed are exempt from paying 50% of the employee's and employer's contributions, while in the following 12 months the exemption is 30%); and the preferential tax treatment in Slovakia. As reported by the Polish experts, those that start their own enterprise pay lower social insurance contributions for the first 24 months of activity if they did not have their own company in the past 60 months.

A third set of start-up incentives provide access to loans at preferential rates, promoted as part of entrepreneurship policies in some countries (e.g. DE, ES, PT, SE). Such measures are accessible to any candidate entrepreneur: some countries indeed do not have a separate scheme for those unemployed at the time of applying for the loan. In Sweden, a state-owned enterprise (Almi) offers financing and business development to small and medium-sized enterprises. In Portugal, young unemployed people have access to the *Investe Jovem*, an interest-free credit, while in Spain young first job seekers whose monthly income in the previous year was lower than the minimum wage can access *MICROInvest* and *Invest+*.

Finally, in some countries training and/or advisory services (e.g. AT, BE, DE, FI, IT, LI, SE, TR, UK) are provided in addition to the start-up incentives presented above. In Belgium, unemployed people wishing to start a self-employment activity have access to training while keeping their unemployment benefits. In Finland, entrepreneurial training is available for those who are considering entrepreneurship or have started their own business. In Sweden, the Employment office provides a range of courses as well as guidance on how to start a business. In Italy, training, counselling and tutoring for business plans and management are offered to some categories of beneficiaries such as women and young people.

One other specific measure is reported by the Swiss ESPN expert: employees who wish to set up their own business are allowed to withdraw the capital they have accumulated in their second-pillar pension and to invest it in their firm. The accumulated capital can be substantial, and constitutes a strong encouragement to transition to self-employment. It means however that old-age protection remains limited to the first pillar, which covers basic needs only. The government is currently considering curbing this provision.



## 2. DESCRIPTION OF SOCIAL PROTECTION PROVISION

This section describes access for non-standard workers and the self-employed to main social benefit schemes (Sections 2.1-2.7) and presents an overview of the way social protection systems deal with these categories of employment (Section 2.8).

### 2.1 HEALTHCARE AND SICKNESS BENEFITS

This section describes access to the main healthcare benefits/services and sick pay/sickness benefits for non-standard workers and the self-employed.

The healthcare systems of the 35 countries analysed here can broadly be divided into two categories: social health insurance systems and National Health Service (NHS) systems — even though most healthcare systems incorporate elements of both systems. Most of the 35 countries' systems are insurance-based and in most cases linked to participation in *gainful employment* (i.e. including *non-salaried forms of employment*). Some countries have national health systems (NHS), mainly funded through general taxation and thus not linked to employment status. This is the case in the Nordic countries (DK, IS, FI, NO, SE) and some Southern countries (e.g. CY, IT, MT, PT), Latvia, as well as Ireland (in which healthcare is however also partly financed by private insurance) and the United Kingdom. In some countries, occupational funds may also play an important role in health insurance (e.g. IS, IT). In others, private insurance schemes are widespread (e.g. CY, NL). For instance, in Cyprus entitlement is based on a 'medical card' that provides access to public healthcare at low cost. Private insurance is also widespread, i.e. in the form of enterprise schemes and schemes based on collective tariff agreements.

Sick pay and sickness benefits provide replacement income in the event of sickness that prevents people from working. Sick pay is continuing payment of the salary by the employer. Sickness benefit is the public social protection that takes over when the period with sick pay ends. In most of the 35 countries, sick pay is state-mandated and specifically linked to participation in *salaried employment*. Access to sickness benefits is most often linked to participation in *gainful employment*, thus including the self-employed, and depends on specific social contribution requirements.

#### 2.1.1 NON-STANDARD WORKERS

In general, all European countries provide the same access to healthcare for those in non-standard and standard forms of employment. However, there are some notable exceptions. For instance, casual and seasonal workers are not mandatorily covered in some countries (e.g. BG, HU, LT, LV, MK, RO, RS). This is the case also for 'civil law contracts for a specified task' in Poland. Apprentices have statutory access to sick pay/sickness benefits in most of the countries (except HR, NL, PL). The situation is similar for paid trainees (except in DK, FR, HU, LT, NL, PL, TR) and people in vocational training (except in DK, EL, FR, HU, PL). Zero-hour and on-call workers are not covered by mandatory insurance in the former Yugoslav Republic of Macedonia, nor are people in vocational training in Greece and Poland.

As for sick pay (when state-mandated) and sickness benefits, non-standard workers enjoy the same statutory access as standard workers. The problem for these categories may be their actual coverage, which can be hampered by eligibility conditions difficult to fulfil (see Section 3).

#### 2.1.2 SELF-EMPLOYED PERSONS

In all countries where healthcare is insurance-based, the self-employed are compulsorily covered<sup>23</sup>. Among the countries where healthcare is tax-financed and thus unrelated to employment status, only Ireland provides partial access for the self-employed. However, reforms extending some benefits to the self-employed are planned in 2017<sup>24</sup>. In some

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<sup>23</sup> In Germany, the self-employed are required to take out a private health insurance.

<sup>24</sup> The self-employed are excluded from some benefits in Ireland. Some changes are being introduced with the Social Welfare Act 2016 which proposes to extend dental, ophthalmic and hearing-related benefits to the self-employed through the Treatment Benefit in March 2017.

countries, specific categories of the self-employed may be excluded or have only partial access (e.g. EL).

With regard to sickness benefits, the self-employed are required to be insured for sickness protection in 25 of the 35 countries: this is the case in AT, BE, CY, DE, DK, EE, ES, FI, FR, HR, HU, IS, LU, LT, LV, MK, MT, NO, PT, RS, SE, SI, SK, TR and the UK. However, in some of these countries the self-employed are subject to different eligibility conditions, or to conditions governing receipt of the benefit which may be less favourable compared to those of standard workers (e.g. AT, BE, FR, PT, SI, UK). In many countries, the self-employed are subject to longer waiting periods (e.g. AT, DK, FI, LU, NO, PT, SI) and considerably shorter periods of receipt of benefits (e.g. AT, PT) than standard workers. The main reason for the longer waiting periods is that *sick pay* schemes (which – by definition – apply only to salaried employment) do not apply to the self-employed. Therefore, during the period a salaried worker is entitled to sick pay, the self-employed person does not receive any benefit. However, in some countries the self-employed can opt into specific schemes which allow them to receive benefit from the first day(s) in the event of sickness (e.g. AT, DK, FI, LU, NO)<sup>25</sup>. In Spain, in the case of temporary incapacity due to common illness, insurance is compulsory for the self-employed and voluntary for self-employed agricultural workers.

In the other ten countries, the self-employed are not compulsorily covered by sickness insurance (BG, CH, CZ, EL, IE, IT, LI, NL, PL, RO). In some of these countries, they can opt in to state insurance (e.g. BG, CZ, NL, PL, RO). In other countries, they can qualify only for means-tested benefits (e.g. IE). In Italy, some categories of self-employed are subject to compulsory insurance under a specific scheme which also covers some categories of non-standard workers (*Gestione Separata*); others are completely excluded from sickness insurance, but some categories can obtain private collective coverage through occupational welfare institutions.

It should be noted that in some countries, specific categories of self-employed may be excluded from access (e.g. in Lithuania: 'persons engaged in individual activities under a business certificate') while the other categories are subject to mandatory coverage. And vice-versa, in other cases, some categories may be covered mandatorily under some schemes while the others are not — e.g. 'dependent' self-employed benefit from compulsory coverage in Italy and Romania.

## **2.2 MATERNITY/PATERNITY CASH BENEFITS AND BENEFITS IN KIND<sup>26</sup>**

In most of the 35 countries, entitlements to maternity/paternity benefits are linked to participation in *gainful employment*, i.e. people outside a salaried relationship such as the self-employed are compulsorily covered or in some cases may voluntarily opt into these schemes<sup>27</sup>.

### **2.2.1 NON-STANDARD WORKERS**

Non-standard workers are compulsorily covered in all 35 countries. Exceptions may apply to some categories of workers: casual workers (e.g. BG, MK, RO, RS) and seasonal workers (e.g. BG, LV, MK, RO, RS), on-call workers (e.g. BG, MK), and temporary agency workers (UK). Other, country-specific categories in some countries may be only partially covered because of less favourable eligibility conditions and periods of receipt compared to standard workers: 'marginal' freelancers and 'marginal' part-timers in Austria, part-time workers in Bulgaria and France, those on civil law contracts for a specified task in Poland, workers

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<sup>25</sup> For instance, in Luxembourg, the self-employed have the opportunity to voluntarily join the Mutual Employers Insurance Fund (*Mutualités des Employeurs*), with no contributory period required. Therefore, they receive benefits from the first day of work incapacity instead of the 77th day. Similarly, in Finland and Austria, the self-employed who opt into voluntary insurance are entitled to sickness benefits from the first day instead of the tenth and from the fourth day instead of the 43rd day.

<sup>26</sup> ESPN experts only briefly describe maternity/paternity benefits, as they are largely covered by Barnard and Blackham (2015).

<sup>27</sup> See Directive 2010/41/EU on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity; available [online](#).

governed by an agreement to perform work/job in the Czech Republic. This is the case also for casual (e.g. HU) and seasonal workers (e.g. MT, HR, HU) and temporary agency workers (e.g. MT). Apprentices have access to these schemes in most countries (except for MT, TR). The situation is similar for paid trainees (except in FR, HU, IT, LT, MT, TR) and people in vocational training (except in EL, FR, HU, IT).

## **2.2.2 SELF-EMPLOYED**

In most countries where maternity/paternity schemes are insurance-based, the self-employed are mandatorily insured (e.g. AT, BE, BG, CY, DK, EE, EL, ES, FR, HR, HU, IE, IT, LU, LV, LT, NO). In the Czech Republic, this benefit is part of the sickness scheme, and so the self-employed have to be affiliated to the sickness insurance scheme in order to be covered for maternity benefits. Similarly, in Poland the self-employed can opt into state insurance. In the Netherlands, there is a special maternity provision for the self-employed at the level of the minimum wage. However, in some of these countries, they may be only partially covered because of shorter periods of receipt of the benefits (e.g. EE, EL, FR). In the UK, they are excluded from employer-provided maternity/paternity/parental benefits but can qualify for insurance-based benefits<sup>28</sup>.

## **2.3 OLD-AGE AND SURVIVORS' PENSIONS**

All 35 countries have pay-as-you-go (PAYG) statutory public pension schemes as part of their pension architecture<sup>29</sup>. Some countries also provide non-contributory basic pensions which are accessible to all residents (e.g. BG, DK, EE, FI, IS, NL, NO) to which non-standard workers and the self-employed have the same access as standard workers. Along with the PAYG statutory public pension schemes, in some countries, statutory funded schemes<sup>30</sup> (e.g. BG, EE, HR, IS, IT, LV, LT) and occupational pensions play a major role for entitlements (e.g. AT, DE, IS, NO, NL).

### **2.3.1 NON-STANDARD WORKERS**

In general, in all 35 countries, non-standard workers have full access to statutory pension schemes as standard workers. However, some specific categories of workers may have only partial access to these schemes: casual workers (e.g. BG, MK, MT, RO, RS) and seasonal workers (e.g. BG, HU, RO), on-call workers (e.g. HU, LU, MK), temporary agency workers (e.g. MT), marginal freelancers and marginal part-timers (AT). For instance, in Austria, marginal part-timers are not covered by mandatory insurance but they can opt in at rather low contribution levels. Other categories may have no access as is sometimes the case for casual and seasonal workers (LT only for voucher-based contracts), apprentices (HR, MT, TR) and trainees (EL, FR, HU, IT, LT, MT, TR). In Spain, the rules governing the retirement of domestic workers are the same as for salaried workers, but early retirement, partial retirement or retirement at 64 years are not possible.

Partial access is typically due to eligibility conditions which differ from those for standard workers (e.g. contribution periods, a flat-rate benefit instead of a pension based on a replacement rate). For instance, in the Netherlands, there is a double condition for temporary agency workers, based on employers' liability and the contribution period: a contract with the same employer for at least 26 weeks is needed to accumulate pension

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<sup>28</sup> Statutory maternity pay (SMP) is based on a contract with a specific employer, thus the self-employed can qualify only for contributory Maternity Allowance (as well as a means-tested top-up or alternative if necessary).

<sup>29</sup> For the purpose of this report, we use the term PAYG statutory public pension schemes, i.e. 'pension schemes where current contributions finance current pension expenditure' (European Commission 2015b, Vol.1:277). Many pension systems distinguish between statutory, statutory funded, occupational and individual pension schemes' (European Commission 2015b, Vol.1: 277). For a further discussion, see Natali *et al.* (2016).

<sup>30</sup> Many ESPN experts use the term 'second pillar' to (mostly) refer to fully-funded defined contribution plans with independent investment management. Different types of pension schemes are usually grouped into two, three, four or even more pillars of the pension system. There is however no universally agreed classification. The second pillar can cover a variety of statutory funded pension schemes, access to which is based on legislation. 'In statutory funded schemes, part of participants' social security contributions is converted into funded assets, typically administered by authorised private fund managers' (European Commission 2015b, Vol. 1:278). In some other cases second pillar schemes are voluntary.

entitlements. As for other social benefit schemes, non-standard workers may be also subject to less coverage because of interrupted contribution periods (see Section 3).

Access to statutory funded and occupational pension schemes may be also hampered by conditions difficult to fulfil for some categories of non-standard workers. In Denmark, access of non-standard workers to occupational schemes depends on coverage by collective agreements. In the Netherlands, almost 90% of the workforce is covered by occupational pensions but conditions may differ greatly for some categories such as temporary agency workers and on-call and zero-hour workers.

In most countries, survivors' pensions are part of the PAYG statutory public pension schemes and non-standard workers have access to these schemes; the same exceptions as above apply to some categories of workers in a few countries. However, in Denmark there is no state scheme for survivors' benefits: these are provided by occupational pension schemes, and entitlements differ between schemes covered by different collective agreements. In the Netherlands, there is a basic state survivors' benefit and additional occupational scheme survivors' benefits, the coverage of which differs according to the sector or the pension insurer.

### 2.3.2 SELF-EMPLOYED

The self-employed are mandatorily covered under the **PAYG statutory public pension scheme** in 31 countries out of 35 (AT, BE, BG, CY, CZ, DK, EE, EL, ES, FI, FR, HR, HU, IE, IT, IS, LI, LU, LV, MT, MK, NO, PL, PT, RO, RS, SE, SI, SK, TR, UK). In Iceland, they are also obliged to be insured with the Occupational Pension Funds (OPFs). Some of the countries have also non-contributory basic old-age pensions which are available to all residents (e.g. BG, DK, EE, FI, IS, NL, NO).

In some other countries, the situation may be rather complex, i.e. a possibility for the self-employed of opting in to the public scheme but having access only to basic pensions (e.g. DE, NL). For instance, in Germany, some categories of the self-employed are compulsorily insured ('dependent self-employed without employees', some artists and publishers) while others may only opt in. They can insure themselves only in voluntary funded schemes for a sort of a 'pensioners' reserve' built up from a part of the profit, as well as in some pension schemes allowing formerly salaried workers to transit to self-employment while preserving their pension entitlement.

In some countries, the self-employed may be exempted from insurance if they do not reach a certain minimum income threshold, but have the possibility to opt in, thereby avoiding gaps in their contributions (e.g. BG, FI, RO, SK, UK).

In some countries where the self-employed have access to statutory public pensions (e.g. CH, NO, RO, RS, TR, UK), they may have only partial access due to tighter eligibility conditions compared to standard workers, based on the contribution period, assessment base or replacement rates.

As for **statutory funded schemes**, the self-employed usually have the right to access them (e.g. BG, HR, EE, PL, SK). They may be subject to mandatory insurance (e.g. BG, HR) or can only join these schemes voluntarily (e.g. EE).

By contrast, the self-employed do not usually access **occupational pension schemes**. In some countries, they may access these under less favourable conditions. Box 1 elucidates the situation with regard to occupational pensions in five countries.

**Box 1: Occupational pensions: the situation of the self-employed in five countries**

In Denmark, second pillar pension consists of occupational pensions that are organised according to collective agreements or by companies. There is no scheme that covers the self-employed.

In Germany, occupational pension schemes constitute the second tier of the pension system. They are in general voluntary in the private sector and are aimed at employees, not the self-employed.

In France, supplementary schemes for the self-employed are subject to different, heterogeneous rules within the same professional category.

In the Netherlands, most self-employed workers are not covered by occupational pensions, although around 90% of salaried workers are covered by an occupational pension scheme.

In Norway, occupational pensions account for the significant differences in pension entitlements between salaried workers and the self-employed. Some categories of non-standard workers may also be disadvantaged. The self-employed can be said to be disadvantaged in terms of access to supplementary pension schemes. Indeed, the self-employed are offered tax-subsidies in relation to supplementary retirement savings, but the degree of subsidy and the tax-exemption of contributions are less favourable than for wage earners.

The self-employed are fully covered by the Swedish public pension scheme. But, unlike most employees, they are not entitled to an occupational pension supplement. The self-employed may thus need to compensate for the loss of occupational pensions through independent savings or the purchase of private insurance. The self-employed are allowed to deduct some of their private pension savings from their earnings. However, it should be noted that this deduction reduces the surplus of the firm and thus lowers contributions to the public pension scheme. It will also affect the taxable income of the self-employed, which is used to determine entitlements in other programmes, including sickness and parental leave benefits.

In Denmark, Norway, Sweden and the Netherlands, people tend to be able to transfer their pension entitlements to the new place of employment when they change jobs.

As for survivors' pensions, the self-employed are compulsorily insured in most of the 35 countries covered in this Synthesis Report, in the same way as salaried workers. In some countries, survivors' pensions are not part of the statutory pension scheme but can fall under the invalidity scheme (e.g. ES).

## **2.4 UNEMPLOYMENT BENEFITS AND SOCIAL ASSISTANCE**

### **2.4.1 UNEMPLOYMENT BENEFITS**

Unemployment benefits play an important role in protecting working people from poverty and social exclusion, and facilitating transition between jobs and labour market statuses. However, unemployment benefits are among the social benefit schemes which are the most difficult to access for some non-standard workers and the self-employed in general.

#### ***Non-standard workers***

In general, non-standard workers have access to unemployment schemes on an equal footing with standard workers in all 35 countries. However, some categories such as casual and seasonal workers do not have access (e.g. BG, RO, LV, MK, RS) or are only partially covered (e.g. HR, HU, LT, MT). Some country's specific categories may also not have access to unemployment benefits: 'civil law contracts for a specified task' in Poland, 'marginal freelancers' and 'marginal part-timers' in Austria. It should be noted that most of these categories of workers and their employers pay a lower level of social security contributions or can even be exempted (if earnings are below a certain threshold). By way of example, the Czech Republic abolished the rule which allowed part-timers who earn less than half of the minimum wage to access unemployment benefits. Apprentices are excluded from entitlement in some countries (e.g. EL, HR, MT, NL, PL, TR). The situation is similar for trainees (e.g. EL, FR, HU, IT, LT, MT, NL, PL, RO, TR).

In some countries, eligibility conditions can be very tight (difficult to fulfil for non-standard workers) and the period of receipt of the benefit may be very short (e.g. BG, HU), leading to *de facto* exclusion (see Section 3). For instance, in Hungary the claimant must have been in employment for 12 out of the previous 36 months, and only one person in a family may be eligible for this benefit. Moreover, the amount of the benefit is 60% of the labour market contribution base, but is limited to a maximum of 100% of the effective minimum wage when provision starts.

### **Self-employed**

As for unemployment coverage, we classify countries into three groups. The first group is made up of 13 countries out of 35 where the self-employed are compulsorily insured against unemployment (CZ, EL, HR, HU, IS, FI, LU, RS, PL, PT<sup>31</sup>, SE, SI, SK). In three other countries, Estonia, Ireland and the UK, they have access only to means-tested unemployment benefits. In the Finnish case, compulsory insurance covers entitlements to flat rate basic benefits: basic unemployment daily allowance, and labour market subsidy. Insurance for income-related benefit is voluntary, as it is also for employees. Likewise, Sweden has a two-tier unemployment insurance system: a universal flat-rate benefit, combined with voluntary state-subsidised earnings-related compensation.

However, in these countries with compulsory insurance, ESPN experts stress that access may be only partial. In Poland, the same eligibility criteria apply to the self-employed as to employees, but they can only receive the benefit after 90 days of unemployment. In Sweden, if the self-employment activity is re-activated, the self-employed person is barred from unemployment benefits for a period of five years. Moreover, unlike employees, they cannot be partially unemployed and receive benefits. In Greece, unemployment insurance is compulsory for all self-employed (except farmers), though entitlement to unemployment benefit is subject to means-testing.

The second group is made up of four countries where the self-employed can join unemployment insurance schemes on a voluntary basis (AT, DK, ES, RO). For instance, in Spain, the self-employed have a specific unemployment protection scheme which they can join voluntarily: cessation of business activity benefit. In Denmark, with its two-tiered unemployment protection system, the state finances the marginal risk of unemployment and there is a second tier based on voluntary insurance, regardless of the employment status of the person (salaried employees, self-employed etc.). There is however no general definition of self-employment, and the benefits are granted by a discretionary decision based on a complex set of rules<sup>32</sup>.

The third group is formed of 15 countries where the self-employed do not have any access to unemployment protection (BE, BG, CH, CY, DE, FR, IT, LI, LT, LV, MK, MT, NO, NL, TR). In this group of countries, certain categories of self-employed may be compulsorily covered. For example: dependent self-employed and liberal professions in Italy; employees of micro-enterprises in Latvia, a self-employed person, registered as a limited responsibility company and hiring him/herself as an employee in Norway. It should be noted that the Belgian situation is rather specific: there is a compulsory social insurance in the case of bankruptcy, the amount of which may be higher than the unemployment benefit paid to former salaried workers.

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<sup>31</sup> Compulsory coverage applies to the following categories 'dependent self-employed' and self-employed workers who earn their income through a registered business of their own or possess an individual commercial establishment.

<sup>32</sup> These rules take into account the extent of work, the status and branch of the company, the insured person's personal tasks and working hours, the turnover of the company, its location, opening hours, number of employees as well as their tasks and working hours.

## **2.4.2 SOCIAL ASSISTANCE**

Social assistance is a safety net in the 35 countries under scrutiny<sup>33</sup>. In Turkey, social assistance is fragmented, with various coexisting benefit schemes and with the self-employed excluded from entitlement. In general, social assistance benefits are means-tested and may not depend on employment status (for more details, see Frazer and Marlier 2016). Often, these schemes do not depend on individual income but on household income. Almost all 35 countries require the claimant to be registered with the public employment services (for more details, see Bouget *et al.* 2015).

However, in some countries, categories of workers may be partially excluded (e.g. PL, see Section 3) because of tight eligibility conditions. Casual and seasonal workers do not have access in the former Yugoslav Republic of Macedonia. In Switzerland, the self-employed may also face statutory exclusion from social assistance. Oftentimes, apprentices, students and paid trainees have only partial access to social assistance schemes (e.g. HU, UK).

## **2.5 LONG-TERM CARE BENEFITS**

In most of the 35 countries analysed in the report, long-term care cash benefits and benefits in kind are granted on a universal and/or means-tested basis and do not depend on employment status. The exceptions are Germany (compulsory insured in the private insurance), Luxembourg and Flanders (Belgian Region), which have a Long-Term Care Insurance scheme compulsory for all residents. Most long-term care insurance in Belgium was however included in the compulsory health insurance system, providing universal coverage.

Sometimes, categories of non-standard workers may have only partial access to benefits. This is the case for temporary agency workers and those with civil law contracts in Poland for some insurance-based benefits, in Portugal for some categories of self-employed. Apprentices are excluded from access in some countries (MT, TR).

The situation is more complicated with regard to long-term benefits specifically targeting carers of dependent persons (for details about carers' benefits see Bouget *et al.* 2016). For instance, in Norway, since 2015, the self-employed are entitled to a carers' benefit which, unlike for persons in salaried employment, is subject to a waiting period of 10 days. In Belgium, the self-employed have access to carers' benefit (under certain conditions) and can suspend their activity completely or partially (by at least 50%). This benefit can be received for a maximum period of 12 months during the complete career. In contrast to these examples, in Portugal, the possibilities for care and for long-term care are restricted for the self-employed as they have no access to childcare benefit, to benefit for the care of grandchildren or to benefit for the care of disabled or chronically ill children.

## **2.6 INVALIDITY, ACCIDENTS AT WORK AND OCCUPATIONAL INJURY BENEFITS**

### **2.6.1 INVALIDITY BENEFITS/PENSIONS**

In most countries, invalidity schemes are either part of the pension system or fall under the sickness insurance. Invalidity schemes can be insurance-based or/ and means-tested.

#### ***Non-standard workers***

All 35 countries provide access to invalidity schemes for non-standard workers if all the eligibility criteria are fulfilled. However, some specific statuses may not have access or are only partially covered, such as casual workers (e.g. HU, MK, RO) or seasonal workers (e.g. HU, MK, RO). In Austria, 'marginal freelancers' and 'marginal part-time workers' are not covered by mandatory insurance but they can voluntarily opt in at a rather low cost.

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<sup>33</sup> The only notable exception was Greece, with no social assistance benefits until February 2017, when a new financial assistance benefit addressing extreme poverty was launched.

### **Self-employed**

The self-employed are mandatorily insured under invalidity schemes in most of the countries except for the Netherlands, where they can decide to opt into public or private insurance schemes. Ireland has only recently provided entitlement for the self-employed (as of 2017). In Switzerland, the self-employed have only partial access: they have access to the basic statutory public scheme, but unlike full-time employees they are not mandatorily covered by supplementary provision.

Sometimes, specific categories of self-employed persons have only partial access or no access at all to invalidity benefits: this is the case for those providing 'services paid by receipt of business expenditure' in Greece.

## **2.6.2 ACCIDENTS AT WORK AND OCCUPATIONAL INJURY BENEFITS**

Accidents at work and occupational injuries are linked to participation in *salaried employment*, as employers are usually responsible for insuring their workers against these risks.

### **Non-standard workers**

Non-standard workers have equal access as standard workers to these benefits in all 35 countries. However, some of them may not have access. This is the case for casual (e.g. BG, HR, MK, RO, RS) and seasonal workers (e.g. BG, LT (only voucher-based), LV, MK, RO, RS), on-call workers (e.g. BG, MK), those with 'civil law contracts for a specified task' (PL). In Romania, casual work is a specific case. Although employers are not obliged to pay insurance for these risks, they are however responsible for paying all expenses in the event of injury.

### **Self-employed**

Typically, accident at work and occupational injury benefits are among the schemes which are less open to the self-employed.

In 20 countries, the self-employed have access to these types of benefits (AT, CH, CZ, EE, EL, FI, HR, HU, IT, IS, LU, MK, MT, PL, PT, RS, SE, SI, SK, TR). Sometimes, specific categories of self-employed do not have access to these benefits (e.g. CZ (no or partial access for agreement to perform work/job); EL (liberal professions and those providing services paid by receipt of business expenditure), NL (self-employed on their own account and with employees) and RS (dependent on single client)).

In 15 countries (BE, BG, CY, DE, DK, ES, FR, IE, LI, LT, LV, NL, NO, RO, UK), the self-employed are not compulsorily insured. In some of them, they can voluntarily join the public insurance scheme (e.g. DE, ES, RO). In the Netherlands, only those self-employed who work at the premises of/ under supervision of an employer ('dependent self-employed') are covered by these benefits. In Denmark, the schemes for accidents at work and occupational illnesses are in the hands of private insurance companies. The self-employed can choose to subscribe, but they are not covered by the same legislation as employees, in particular with regard to benefit calculation. In Spain, insurance for accidents at work or occupational diseases is voluntary for the self-employed and compulsory only for 'dependent self-employed' (so-called TRADE workers) and mobile traders.



## 2.7 FAMILY BENEFITS

Family benefits are universal payments (tax-financed) in most of the countries and do not depend on *employment status*. In Turkey, family benefits are only granted to civil servants.

### **Non-standard workers**

Although family benefits are accessible regardless of employment status, specific categories of non-standard workers are disadvantaged in some countries (e.g. BG, MK, MT): only partial access for casual (e.g. MK), seasonal workers (e.g. MK, MT), temporary agency workers, on-call workers and vocational/paid trainees (e.g. LT). Sometimes they are excluded from access: on-call and zero-hour workers; casual and seasonal workers (e.g. MK).

### **Self-employed**

In Italy, the self-employed receive only partial benefits and there is no benefit for the liberal professions. In Latvia, parental benefit is a contributory benefit and thus some self-employed categories have no access to it.

## 2.8 GENERAL OVERVIEW OF NATIONAL SOCIAL PROTECTION FOR NON-STANDARD WORKERS AND SELF-EMPLOYED PEOPLE

This section summarises the key results of the description of the main social protection benefits with regard to access for non-standard workers and the self-employed across the 35 countries under scrutiny. It also discusses the way these systems facilitate or hamper transitions between labour market statuses.

### 2.8.1 EMPLOYMENT STATUS AND SOCIAL PROTECTION

There are basically four types of social protection in relation to the employment relationship: 1) linked to a contract with a specific employer; 2) linked to salaried employment; 3) linked to participation in gainful employment (including non-salaried employment); and 4) linked to residence status (ILO 2016). The prevalence of schemes based only on a contractual relationship with a specific employer can lead to more exclusion of entitlement to benefits in national schemes. By contrast, schemes based on participation in *gainful employment* and on *residence status* (tax-financed) contribute to greater socio-economic inclusiveness, whatever the employment status.

The main schemes in the 35 countries analysed here can be roughly fitted into this classification. The following description is only a succinct summary of the complexity of the schemes. For each scheme, there may be no or only partial access for some categories of non-standard workers (e.g. casual and seasonal workers, on-call, zero-hour workers) and self-employed persons.

- a) Healthcare systems are mainly linked to participation in *gainful employment* and/or to *residence status*. In all countries where healthcare is insurance-based, the self-employed are compulsorily covered.
- b) Sickness benefit schemes are most often linked to participation in *gainful employment*. However, the self-employed are not mandatorily included in sickness insurance in ten countries (BG, CH, CZ, EL, IE, IT, LI, NL, PL, RO). Yet, in some of these countries, they can opt into state insurance (e.g. BG, CZ, NL, PL, RO).
- c) Maternity/paternity schemes are in most cases linked to participation in *gainful employment*. The entitlement to some specific schemes can be also residence-based (financed by general taxation).
- d) PAYG statutory public pension schemes and statutory funded schemes are most often related to *gainful employment*, and in some countries, there are basic pensions which are residence-based (e.g. BG, DK, EE, FI, IS, NL, NO). Occupational pensions are linked mainly to *salaried employment* and the self-employed often do not have access to these (except IS, NO). Likewise, survivors' benefits target the

dependants of a gainfully employed person who has died. In some countries, they are included in occupational pension funds, thus linked *to salaried employment* (e.g. DK).

- e) Unemployment benefit schemes are mostly linked *to salaried employment* and only in some cases *to gainful employment*. The self-employed are completely excluded from unemployment protection in 15 countries (BE, BG, CH, CY, DE, FR, IT, LI, LT, LV, MK, MT, NO, NL, TR) and can join voluntarily in four countries (AT, DK, ES, RO). In three countries, Estonia, Ireland and the UK, they have access only to means-tested unemployment benefits. Social assistance and safety net schemes, when other contributory benefits are exhausted, are residence-based (means-tested) transfers and are accessible regardless of the employment status.
- f) Long-term care benefits and services are mostly residence-based (means- and need-tested) transfers. The allowances for carers of dependent persons are mostly linked *to salaried employment* and in some cases *to gainful employment* (e.g. BE, NO, UK).
- g) Invalidity benefit schemes, likewise old-age and survivors' pensions, are insurance-based and mostly linked *to gainful employment*. In Denmark, there is no state insurance for survivors' benefits.
- h) Occupational injury and accident at work benefits are most often linked *to salaried employment*. The self-employed have no access to these schemes in 15 countries (BE, BG, CY, DE, DK, ES, FR, IE, LI, LT, LV, NL, NO, RO, UK).
- i) Family benefits are most often residence-based universal transfers, thus not dependent on employment status.

In addition to this general classification of benefit schemes related to labour market status, some countries also have separate social security rules and/or schemes for certain categories of self-employed. Some of these are historically-established schemes for specific risks (e.g. old-age pensions) for farmers and the liberal professions, for whom social protection may differ considerably from that for the rest of the self-employed (e.g. DE, EL, PL). Alongside these historically defined categories, new categories of self-employed have been regulated and social protection has been extended or new social benefit schemes created for them. Some examples are provided in Box 2.

**Box 2: Examples of specific schemes for some categories of self-employed**

In Austria, the self-employed registered with the Chamber of Commerce (the vast majority of all self-employed) are compulsorily insured according to the GSVG (Trade Social Insurance Act). The insurance according to GSVG covers health insurance, pension insurance and accidents insurance. The so-called 'new self-employed' perform self-employed work without such a registration. The latter is possible for tasks not addressed in the Austrian Trade Regulation Act like lecturers, artists, scientists and experts, journalists, writers and persons who exercise jobs healthcare independently (nurses, midwives, etc.). These 'new self-employed' perform work on the basis of a 'contract for services' and are not covered by labour law. Social protection has been extended to these categories since the 1990s (see Section 4.2 on reforms).

In Finland, the Farmers' Pension Insurance (MYEL) was originally established for farmers, forest owners, fishermen, reindeer breeders and their families. There is a separate institution (Mela) administrating the scheme since 2009, that in addition to farmers covers some self-employed (artists, people living on grants etc.).

In Germany, farmers are not required to be insured under the public pensions scheme but are covered by a separate farmers' pension fund. This special system provides farmers with partial coverage, which they supplement in other ways — often by selling the farm on retirement or claiming the 'right' of German farmers to live on the farm after making it over to their children. Self-employed artists and members of the publishing professions are subject to compulsory insurance under the Artists Social Welfare Act and they pay only half the contributions themselves. The Fund decides who must pay contributions and also sets the contribution rates.

In Greece, the category of 'self-employed' persons comprise the 'independent self-employed' (or 'liberal professions'), 'freelancers' and 'farmers', who are insured in different social insurance funds depending on their profession. The existence of these different social insurance funds gives rise to certain gaps as regards social protection provisions. It should be noted that participation in the supplementary pension scheme is mandatory for 'employees' and the 'liberal professions', while for the self-employed 'freelancers' and 'farmers' it is voluntary. Farmers do not have access to unemployment insurance either. However, as discussed in Section 4.2 on reforms, a new scheme bringing together all the separate schemes has been established from January 2017 and will possibly address some of these gaps.

In Italy, remarkable regulatory differences exist between these five main occupational groups, also in relation to access to social protection benefits. To be more precise, these five groups are: a) workers on fixed-term (and part-time) contracts; b) project workers on continuous collaboration contracts (the so-called co.co.co and co.co.pro.); c) traditional self-employed workers such as farmers, artisans, and traders/shopkeepers; d) self-employed workers mostly in sectors with licensed professions and covered by special independent funds (i.e. architects, lawyers, engineers, etc.); e) other professionals in sectors not covered by special independent funds. Non-standard workers and some self-employed — project workers on continuous collaboration contracts and professionals in sectors not covered by independent pension funds — are compulsorily included in the special regime managed by INPS named *Gestione Separata*.

In Poland, self-employed farmers are covered by a separate social insurance system, which provides both pensions and short-term benefits.

Self-employment in Spain has undergone major institutional changes towards convergence with salaried employment since 2007. In this process, economically dependent self-employed TRADE (*trabajador autónomo económicamente dependiente*) have been recognised as a separate labour market category (see Section 1.3.2). These self-employed have different social security rights for certain risks. For instance, they are compulsorily insured for accidents at work, while contributions are voluntary for accidents at work for the rest of the self-employed. Moreover, 'Agreements of professional interest' or collective agreements between associations of the self-employed and private companies have been created to guarantee the development of the activity of the TRADE. Some differences in social protection exist also between self-employed agricultural workers and the rest of the self-employed (including TRADE). For instance, the contribution for temporary incapacity of work due to common sickness is mandatory for all self-employed persons but is voluntary for self-employed agricultural workers.

## 2.8.2 COMPARING ACCESS TO SOCIAL BENEFIT SCHEMES FOR NON-STANDARD WORKERS AND THE SELF-EMPLOYED: TOWARDS A CLUSTERING OF COUNTRIES

### ***Non-standard workers***

As most non-standard workers are in salaried employment, they are covered by all compulsory social protection schemes (for a detailed overview, see Annexes 1A and 1B). However, sometimes they may be *de facto* excluded or only partially covered due to strict eligibility criteria (see Section 3.2). In some countries, certain categories of non-standard workers are subject to statutory cross-cutting exclusion or to only partial coverage of almost all social benefit schemes (except for means-tested benefits). This may be the case for casual and seasonal workers (e.g. BG, HU, MK, RO, RS), workers with a 'civil law contract for a specific task' (PL), an 'agreement to perform work/a job' (CZ), 'marginal freelancers' and 'marginal part-time workers' (AT), temporary agency workers (NL, UK), and on-call and zero-hour workers (e.g. NL, MK).

As for contribution rates, in general these are the same as for standard workers. However, some categories of workers and their employers may pay lower contributions or be totally payroll-exempt: for example, 'flexi-jobs' in Belgium, 'marginal freelancers' and 'marginal part-timers' in Austria, 'civil law contracts' in Poland and 'mini-jobbers' in Germany.

### ***Self-employed***

Statutory access to social protection for the self-employed varies widely among European countries, not only between schemes but equally across categories of self-employed people within the same country (for an overview, see Annexes 2A and 2B). In order to grasp the complex reality of statutory access to social protection, we divide the social protection schemes described in this Synthesis Report into two groups with regard to their mode of financing: non-insurance-based schemes (tax-financed) and insurance-based (contributory) schemes<sup>34</sup>. Certain benefits may be non-insurance-based in some countries while being insurance-based in others. Moreover, in some cases both possibilities — insurance-based and non-insurance based benefits — may co-exist for the same social benefit (for details see sections 2.1-2.7).

The self-employed generally have statutory access to **non-insurance based** schemes, i.e. universal schemes (e.g. family benefits and certain healthcare benefits) as well as certain means-tested schemes (e.g. social assistance, some long-term care services, some maternity benefits<sup>35</sup> and basic old-age pensions<sup>36</sup>).

The self-employed also have access to several **insurance-based (contributory) benefits**: they typically have statutory access to healthcare, maternity/paternity/parental benefits, old-age and survivors' schemes, long-term care and invalidity schemes<sup>37</sup>. Crucially, however, they may be excluded from some major insurance-based schemes such as sickness, unemployment and/or occupational injury benefits.

In other words, the most problematic issue regarding statutory access to social protection for the self-employed concerns their access to certain benefits when such benefits are organised on a social insurance basis. Therefore, countries can be divided into several clusters on the basis of the statutory access they provide to the self-employed to insurance-based (contributory) schemes. Two main criteria are taken into account to develop the clustering. The first criterion pertains to compulsory coverage of the self-

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<sup>34</sup> It should be noted that insurance-based schemes may be partly tax-financed.

<sup>35</sup> Maternity benefit schemes are usually contributory. However, in some countries, certain benefits may be non-contributory and flat-rate financed by general taxation (e.g. ES). These schemes are usually provided to mothers who do not meet the eligibility conditions for contributory schemes.

<sup>36</sup> Some countries have non-contributory basic old-age pensions which are accessible to all residents (e.g. BG, DK, EE, FI, IS, NL, NO). In other countries, basic old-age pensions are insurance-based (e.g. UK).

<sup>37</sup> It should be noted that in some countries, certain of these schemes are non-contributory.

employed by insurance-based schemes, as is usually the case for salaried employment<sup>38</sup>. The second criterion relates to whether the self-employed are able to voluntarily opt into a scheme in cases in which they are not compulsorily covered while salaried employees are.

Using these criteria, the 35 European countries analysed in the Synthesis Report can be grouped into four clusters, whose boundaries are somewhat fluid (see Table 4 and Figure 8 below):

- Cluster 1 ('Full to High access'): In six European countries, the self-employed are **required** to be insured under all the insurance-based schemes discussed in this report (HR, HU, IS, LU, RS, SI<sup>39</sup>)<sup>40</sup>.
- Cluster 2 ('High to Medium access'): In eight countries, the self-employed are not required to be insured under one or more insurance-based schemes, while salaried employees must be insured under all of them. However, the self-employed in these countries **have the possibility** to voluntarily opt into the scheme(s) concerned (AT, CZ, DK, ES, FI, PL, RO, SE<sup>41</sup>).<sup>42</sup> For instance, in Austria the self-employed can voluntarily opt into unemployment insurance. In the Czech Republic and Poland, the self-employed are not mandatorily covered by the sickness and maternity insurance (the latter is a part of the former), but they have the possibility to join voluntarily. In Romania, the self-employed may voluntarily opt into sickness, occupational diseases and work injury as well as unemployment insurance.
- Cluster 3 ('Low to No access'): In no less than 14 countries the self-employed **cannot opt into** one or more insurance-based schemes, while salaried employees are mandatorily covered by the scheme(s) concerned (BE, CH, CY, EL, FR, IT, LI, LT, LV, MK, MT, NO, SK, TR<sup>43</sup>). For instance, the self-employed cannot opt into unemployment insurance in 12 of these countries (BE, CH, CY, FR, IT, LI, LT, LV, MK, MT, NO, TR). In some countries, they do not have access to occupational diseases and work injury schemes (e.g. BE, CY, FR, IE, LI, SK).
- Cluster 4 ('Patchwork of Medium to Low access'): Seven countries (BG, DE, EE, IE, NL, PT, UK<sup>44</sup>) combine features of clusters 2 (medium access) and 3 (low access). The self-employed are not required to be insured under one or more insurance-based schemes while employees are mandatorily insured. The former have the **possibility to opt into** some schemes, but are completely **excluded from others**. For instance, in Bulgaria the self-employed are not compulsorily covered by sickness, occupational disease and work injury, and unemployment schemes. They can voluntarily opt into the sickness scheme but are completely excluded from the last two. In the Netherlands, sickness, invalidity, occupational diseases and work injury schemes are optional for the self-employed but unemployment benefits are not available to them.

<sup>38</sup> There are a few noticeable exceptions: in some countries, salaried employees are not required to be insured for some risks and can choose to voluntarily opt into the scheme (e.g. unemployment insurance in Denmark, Finland, Sweden).

<sup>39</sup> Out of which four EU members (of which two members of the Eurozone; for Eurozone members, see Annex 5).

<sup>40</sup> Exceptions to the requirement to be insured may apply in certain countries in each of the four clusters. For instance, there may be income thresholds below which the self-employed are not required to be insured. Moreover, there may be exceptions applying to certain categories of self-employed people (see Sections 2.1-2.7, Annex 2 and ESPN Thematic reports for more details).

<sup>41</sup> All of which are EU members (and three of them are members of the Eurozone).

<sup>42</sup> It should be noted that the situation with regard to unemployment insurance in some countries in this cluster is specific (DK, FI, SE; see Section 2.4.1). In these countries, there is a two-tiered unemployment system: a state benefit and a voluntary insurance scheme accessible to all kind of employment. For instance, Sweden has a two-tiered unemployment insurance system: a universal flat-rate benefit, combined with voluntary state-subsidised earnings-related compensation. Similarly, in the two-tiered Danish unemployment protection system, the state finances the marginal risk of unemployment and there is a second tier based on voluntary insurance.

<sup>43</sup> Out of which nine EU members (which are also members of the Eurozone).

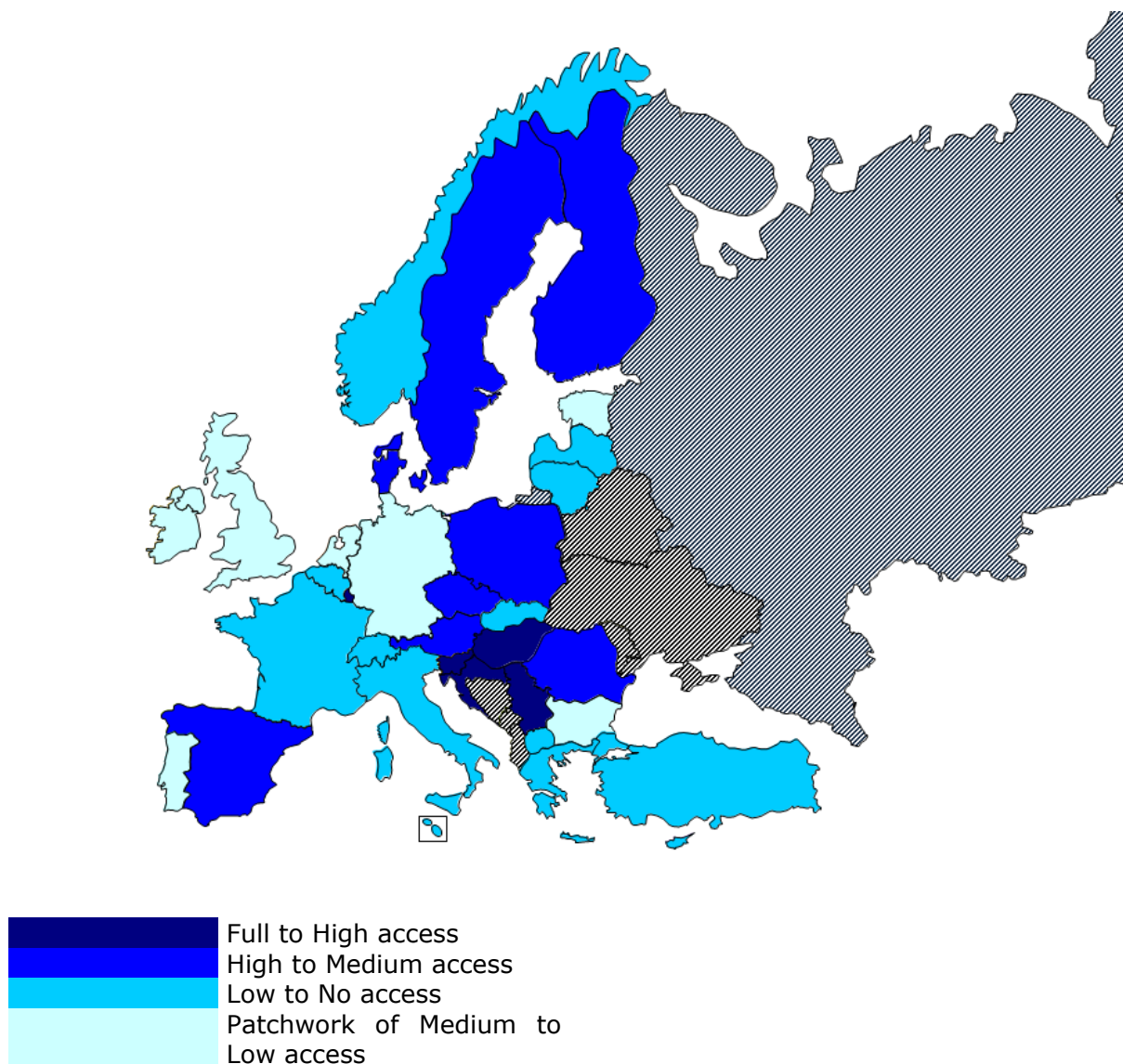
<sup>44</sup> All of which are EU members (and five of them are also members of the Eurozone).

It should be noted that this 'patchwork of Medium to Low access' cluster includes some countries where the situation is rather specific (e.g. EE, IE, PT, UK). For instance, in Ireland and the United Kingdom the self-employed are excluded from certain insurance-based schemes and do not have the possibility to opt in. However, they can qualify for a means-tested benefit covering a similar contingency. In the United Kingdom, the self-employed do not have access to work-injury schemes, which are non-contributory and non-means-tested, but which are only accessible for those in salaried employment. Moreover, with regard to unemployment protection, the self-employed in the United Kingdom do not have access to contributory unemployment benefit, while they can qualify for non-contributory, means-tested unemployment benefit. Similarly, in Ireland the self-employed are excluded from work injury and occupational illness benefits. They are not covered under social insurance for Jobseeker's Benefit but they can qualify under social assistance for Jobseeker's Allowance. In Portugal, all people in gainful employment (both salaried employees and self-employed) contribute to the social security system. In spite of this, the self-employed cannot access certain social security benefits. They also do not have access to certain family and long-term care benefits. In addition, they can only opt into occupational injury benefits. Only the dependent self-employed and those with a registered business have access to unemployment benefits.

**Table 4: Statutory access to insurance-based schemes for the self-employed**

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

**Figure 8: Statutory access to insurance-based schemes for the self-employed**



Source: author's own elaboration.

### 2.8.3 TRANSITIONS BETWEEN LABOUR MARKET STATUSES

Transitions between jobs with different labour market statuses may be facilitated or hampered by the social protection system. The complexity of social protection systems is the main barrier to transition between statuses, in relation to both statutory access to schemes and to the accrual of entitlements. First, statutory access may be hindered because of exclusion from statutory access to social protection schemes, as well as a lack of transparency (e.g. long or burdensome administrative procedures). Secondly, ESPN experts highlight the issue of transferability of rights and entitlements, including problems with their preservation and portability. In markets with a growing number of non-standard forms of work and new self-employment statuses, it is an on-going challenge for social protection schemes to ensure adequate protection for these groups of workers. Some social protection schemes are designed to apply to a salaried employment relationship, and do not respond to the needs of flexible professional trajectories. In such a set-up, as discussed in the previous sections, the self-employed may be excluded from statutory access to state insurance and may not be able to choose to opt in.

Lack of social insurance may come at a high cost for societies and markets (Fouarge 2003). Individuals may decide to gamble on not needing insurance or social protection coverage

and thus choose to free-ride in some cases. However, when they fall ill or have an accident, this will not just affect themselves, but also their family and personal networks. Children, in whom society has invested strongly, may suffer damage. Families may enter a negative social spiral and in the end fall into various safety nets. Without adequate social protection, the life-time productivity of the potential work force risks being lower. Exemptions from social protection contributions, and other forms of free-riding, may also create a distorted economic playing field between those producers who must factor social protection costs fully in and those who can avoid paying them. Crucially, the absence of social insurance for some groups of workers may lead to unequal or unfair social protection, and to the emergence of private schemes which may be too expensive and thus unaffordable for many people.

In order to tackle these issues, ESPN experts have put forward three main sets of solutions to ease transitions between labour market statuses, and especially between standard employment/unemployment and self-employment. The first mechanism involves extending social security coverage, mainly by making social protection insurance compulsory for the self-employed, thus allowing for the acquisition of rights and entitlements. Inclusive social protection systems where the self-employed are integrated into most schemes in a similar way to salaried workers are better at facilitating transitions between statuses (e.g. DK, IS, LU). The second mechanism for easing transitions involves tackling the 'red tape' linked to social insurance: more transparency and simplifying administrative procedures. The third mechanism is related to the improvement of the transferability of rights and entitlements between schemes. Transitions between employment and self-employment may indeed be facilitated when social protection benefits cover the self-employed, but also when they allow the preservation and the portability of entitlements.

**Extending social security coverage** is the first mechanism: many countries have implemented reforms extending social security coverage to the self-employed (see Section 4.2). Most often, compulsory insurance has been extended to the self-employed in the fields of sickness protection, unemployment benefits and old-age pension. For instance, in France, many schemes have been standardised in order to be more accessible to non-standard workers and the self-employed. However, in many countries, even if the self-employed have access to the same schemes or the same benefits, they enjoy less favourable conditions than salaried workers. There are often stricter contribution requirements, less favourable conditions in the period of receipt (e.g. sickness benefits in PT) and in the calculation of the amount of benefit (e.g. unemployment protection in DK). This issue of different statutory conditions can be of great importance for women, regarding entitlement to maternity benefits. Compared to employees, in some countries self-employed mothers may have lower benefits. Moreover, where accessible services for childcare are scarce (e.g. IT), young people may also be reluctant to consider entrepreneurship as they cannot (easily) be replaced in their self-employed activity.

In some countries, as discussed in Section 2.1, even if the self-employed are compulsorily covered by sickness protection, they are subject to much longer waiting periods than salaried workers (e.g. PT, LU). In order to tackle this issue, for instance, in Luxembourg, the self-employed have the opportunity to voluntarily join the Mutual Employers' Insurance Fund (*Mutualités des Employeurs*), without a contributory period being required. Similarly, in Denmark, Finland and Austria the self-employed have a right to opt into insurance covering this waiting period. In addition to extending coverage, some ESPN experts point to the importance of means-tested or residence-based benefits, which although only a safety net, may help to improve access to benefits and portability of entitlements because of interrupted work records (e.g. DK, EE, RO).

**Transparency and administrative accessibility of social protection** constitutes the second mechanism to ease transitions between labour market statuses. A lack of transparency and administrative burdens indeed hinder transition between statuses even when statutory access is available. For instance, in Denmark, voluntary unemployment insurance is available to the self-employed, but because of the lack of a general definition of self-employment, the procedure for granting the benefit may be extremely burdensome.



In Greece, social insurance regulations for the 'independent self-employed' (liberal professions) facilitate the transition from independent professional practice to dependent salaried employment, or the summation of both 'independent self-employed' and 'salaried employee' statuses. The procedure of changing the employment status is relatively simple, as are the procedures regarding the suspension of professional practice in the case of unemployment, and the reactivation of social insurance.

Improvements may require the adaptation of legal frameworks and some streamlining of administrative procedures, including simplifying and facilitating electronic access to registration, consultation and contribution payment mechanisms.

**Transferability of rights and entitlements** between different schemes and job statuses constitutes a third mechanism. Some countries have implemented specific mechanisms allowing for transferability of rights and entitlements in cases of a transition from one type of employment to another. Typically, a self-employed person who used to be in salaried employment and who ceases his self-employed activity, cannot access unemployment benefits based on his/her previous status. Some countries have implemented mechanisms allowing a person to include contribution periods from previous employment in the calculation of unemployment benefits (e.g. BE, FR, HR, LU, SE). For instance, in Sweden, unemployment benefit for the self-employed is based on the average income according to the most recent tax statement, or on the average income from the last two tax statements, depending on which alternative is most favourable to the self-employed. For those who have been self-employed for less than 24 months, special rules apply whereby compensation can be based on earnings before the start-up of the business. In Luxembourg, the unemployment scheme facilitates transition between labour market statuses. The self-employed have to complete at least two years of compulsory insurance (instead of 26 weeks for contractual workers). However, periods of insurance completed as an employed person can be aggregated to this period of two years, provided the person has carried out activities as a self-employed person for at least six months before the submission of the request for compensation. Similarly, Iceland facilitates access to unemployment benefits for the self-employed who do not fully meet eligibility conditions.

In Greece, for instance, only some of the existing social insurance regulations for the self-employed facilitate such transitions. As mentioned above, in the case of the 'independent self-employed' (liberal professions), their social insurance regulations facilitate the transition from independent professional practice to salaried employment. By contrast, in the case of 'self-employed farmers' and 'freelancers', there is no framework which facilitates the transition from employment to self-employment and *vice versa*. There is no provision for 'self-employed farmers' for the transition from independent employment to dependent salaried employment. In Germany, concerning old-age pensions, the public insurance is based on individual social security accounts. Employees who shift into self-employment do not lose the entitlements they have already accumulated. However, if they are no longer contributing to the public insurance they no longer fulfil the preconditions for claiming a reduced earning capacity pension. Still in Germany, with regards to health insurance, members of the public system can change the respective health insurance fund without losing the eligibility criteria. Members of the private insurance — the self-employed are required to be insured in private funds — also have the right to shift from one insurance company to another. But this is only the theory: in practice, the switch is not reasonable, since this step leads to a loss of the accrued entitlements (which are not transferable) and to correspondingly higher premiums. Transferability of occupational pensions entitlements is a particularly problematic issue (e.g. DE, DK, NL). To deal with this issue, some countries have established specific collective schemes for the self-employed, facilitating transferability (e.g. NL).

Besides extending social security schemes to the self-employed, another type of reform has been implemented by countries, i.e. to integrate all the different types of earnings into one unique account. Individual social security accounts, for example, may be an important instrument for the preservation and the portability of rights and entitlements and of information for individuals. According to some ESPN experts, such integration could partly

solve the problem of the boundaries between different employment statuses and could reduce the legal conflicts concerning dependent self-employment (e.g. HR, RO).

Such individual social security accounts have been reported only in a few countries (e.g. LV, FR), with, in particular, the example of the French personal activity account (*compte personnel d'activité* [CPA]). In Latvia, the social insurance system is fully individualised, as each person's contributions are registered on a separate account. Individual social security accounts make it possible to attach acquired rights to the individual, rather than the work contract. When moving to a less-regulated work relationship, for instance from a permanent job to self-employment, people may begin accumulating fewer rights, but they would not lose the rights previously accumulated. However, the Latvian expert points to some drawbacks, as the individual social security account keeps redistribution as low as possible. Box 3 illustrates the scope and the mechanisms governing the French CPA.

**Box 3: Individual activity account in France (*Compte personnel d'activité* [CPA])**

The French CPA has been in place since 1 January 2017. It aims to better manage three social benefits and services: pensions, entitlement to life-long learning services and the 'time saving scheme'<sup>45</sup>. The CPA combines three already-existing accounts to accumulate points for job-related training and education, days off not taken and strenuous work. It aims at disconnecting rights to social protection from professional status and connect them to individuals: moving from social rights (e.g. training, time-saving accounts, pension entitlements) based on labour market status to individual rights transferable from one status to another. The main idea is to make benefits no longer contingent on a person's labour market status. Instead, every worker would have an account where their social benefits would be kept in the form of 'points', regardless of labour market status. This would make portability and transferability of rights easier with the idea of making professional career paths more secure. This will simplify the process and will improve knowledge of rights (for instance, mobile access). Each person will be able to simulate different scenarios of future contributions and benefit amounts. For example, if a person does not want to take some days off he/she is entitled to, they can be converted into points for additional training.

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<sup>45</sup> An account accrued with savings that can be in equivalent working time, for instance overtime — see <http://www.journaldunet.com/management/pratique/conges/1667/le-compte-epargne-temps-cet.html>.

### 3. ASSESSMENT OF SOCIAL PROTECTION PROVISION: COVERAGE AND BENEFIT ADEQUACY

This section provides an assessment of the coverage and adequacy of the main social benefit schemes for both non-standard workers (3.1) and the self-employed (3.2).

Except for exclusion from legal coverage, non-standard workers and self-employed people can be (partially) excluded from coverage because they may be unable to meet the eligibility criteria. Moreover, non-standard workers and the self-employed may receive considerably lower benefits than standard workers because they pay lower social contributions.

Recent research from Matsaganis *et al.* has estimated the risk for non-standard workers and the self-employed of not being covered by three social benefit schemes (sickness, unemployment and maternity benefits). Their analysis demonstrates<sup>46</sup> a significant tendency towards the exclusion of non-standard workers and the self-employed from three benefit schemes (Matsaganis *et al.* 2016):

- a) Unemployment benefits: in the European Union, only 0.1% of standard workers are at risk of exclusion from unemployment benefit, while this risk is real for 31.9% of temporary full-time workers and 38.7% of temporary part-timers. The risk of exclusion for the self-employed is as high as 54.5%. Among the self-employed, the risk of non-coverage can vary between countries which have compulsory insurance where exclusion rates are rather low (e.g. CZ 3.6%, HR 4.6%, PL 7.9%). This may be due to the difficulties faced by the self-employed in applying to these schemes (see Section 2.4). There are large gaps between countries where insurance is voluntary (ES 10.8%, PT 12.5%, and RO 93.7%).
- b) Sickness benefits: on average 0% of standard workers, 5.1% of temporary full-time workers and 9.7% of temporary part-time workers in the EU are at risk of exclusion from this benefit. More than one third of the self-employed (37.5%) are not eligible for this benefit, with a wide variation between countries. In countries where insurance is compulsory, the proportion of the self-employed who are not eligible is very low (HU 0%, EE 2.2%, HR 4.6%). In countries where insurance is optional, the risk of exclusion is higher, from 33.3% (DE) to 79.6% (CZ) and even to 100% (IT).
- c) Maternity benefits: in the European Union, only 0.1% of standard workers are excluded from maternity benefits. The proportion of non-standard workers is slightly higher: 1.8% of permanent part-timers, 8.5% of temporary full-time workers and 12.7% of temporary part-timers. The proportion of the self-employed who are not eligible is much higher: 46.1%. In some countries, the rate for the self-employed is around 0% (e.g. AT, EE, LV, NL, PL), while in other countries it may be very high (BG 67.1%, CZ 88.5%). As maternity benefits may be included in the sickness insurance, the risk of exclusion may be high in countries with voluntary insurance (e.g. CZ).

<sup>46</sup> Some bias in this research should be considered: based on the Labour Force Survey, the analysis cannot precisely identify the numbers of non-standard workers and self-employed who are unable to meet the requirements for eligibility at the present moment. Moreover, the research does not take into account access of all categories of self-employed when access to benefit schemes is voluntary — e.g. the study assumes that 'the self-employed with employees belong to such schemes whereas those without employees do not' (Matsaganis *et al.* 2016: 17).

### 3.1 NON-STANDARD EMPLOYMENT

The ESPN experts' reports highlight two key issues with regard to the actual coverage of non-standard employment: a) contribution period thresholds; and b) working hours thresholds. Certain earnings thresholds may also apply (e.g. for 'mini-jobbers' in Germany).

**Temporary and temporary agency workers** can be excluded from entitlement because they cannot meet the contribution period thresholds. They can have only partial access because the period of receipt of the benefit is calculated on the basis of their period in employment which in some cases may not be long enough.

**Part-time workers** are often excluded because they have to meet a certain hourly threshold and/or minimum wage threshold in order to be compulsorily insured (e.g. DE). In this respect, the situation of 'marginal part-timers' (e.g. AT, DE), 'flexi-jobs' (BE) and casual workers is very specific. Some countries have implemented reforms (see Section 4.1) aimed at extending the coverage for these workers, so that they have compulsory coverage for most of the schemes or can opt in voluntarily to some of them at a low cost (e.g. AT). Moreover, these jobs may be combined with other statuses fully covered by social security. For instance, in Austria marginal part-time is a separate status for 45% of all those employed under this type of contracts. The rest are in marginal employment as a second job in addition to fully insured employment (ca. 20%) or are employed at the same time as receiving pensions or unemployment benefits.

In Germany, the situation of marginal part-time workers ('mini-jobbers') is more problematic in terms of statutory and actual coverage: these jobs, which are seen as a path to employment in the long term, often do not reach the necessary level for social insurance entitlements. At the same time, if earnings exceed a certain threshold (€450 in 2016) per month, these workers will have to pay full taxation and a gradual phase-in into social contributions and will lose some favourable conditions.

Marginal part-time work is assessed as being particularly problematic for women. In the Austrian and German cases, this type of employment is most often the sole employment or social insurance status available to women. In Germany, the vast majority of these female workers decide to opt out from compulsory insurance, *'thereby perpetuating the traditional male breadwinner model'* (DE ESPN expert's report). Moreover, the threshold of €450 is a disincentive for women to increase their weekly working time. Finally, marginal part-time workers can be *de facto* excluded from access to paid holidays and sick pay. Even if these are state-mandated for salaried employees, in this case they can depend on the employers' discretion and workers may be reluctant to ask for them.

As precise data are not easily available (e.g. level of benefits for a worker with multiple jobs), ESPN experts have provided a different type of evidence: actual coverage for some categories, analysis of the possible inclusiveness of the eligibility conditions and in some cases the level of the benefits. Box 4 provides several examples of exclusion or partial access to coverage of non-standard workers.

**Box 4: Patterns of exclusion of non-standard workers from social security rights****Healthcare**

In Cyprus, on top of public insurance, private collective insurance schemes (based on a contract with a specific employer) are widespread from which non-standard workers are often excluded.

**Sickness benefit schemes**

In Belgium, in case of sickness, no minimum level of benefits is set during the first six months of sickness. In view of these conditions, the Belgian ESPN experts estimate that a fairly large number of workers on a non-standard contract risk receiving sickness benefit leaving them below the income poverty line.

**Unemployment schemes**

In Estonia, in 2015, 36% of newly registered unemployed people received neither unemployment benefits (insurance-based) nor unemployment allowances (means-tested), partially due to the lack of the required employment record for mainly non-standard workers.

In Finland, access to insurance-based unemployment benefits (voluntary insurance by means of an unemployment fund run by the trade unions) is difficult for non-standard workers and most of them have to rely on basic unemployment benefits (means-tested). The actual coverage for a standard worker is 85.9%, which then gradually diminishes according to the categories of non-standard employment: full-time fixed-term 64.6%, part-time permanent 61.1%, part-time fixed-term 51.6%; and a halving for zero-hour contracts: 47.6%.

In Germany, in 2015, only 30% of the registered unemployed were entitled to insurance-funded unemployment benefit due to difficulties in meeting the required eligibility conditions. Most job seekers (70%) must rely on a means-tested unemployment benefit. Part-time workers and 'mini-jobbers' represented nearly 29% of all beneficiaries of the latter.

In Hungary, 49% of all jobseekers were not receiving any benefit in 2016 because of the very strict eligibility conditions and the short period of benefit entitlement (maximum of 90 days, see Section 2.4). This is estimated to be particularly problematic with regard to the coverage of non-standard workers.

In Spain, temporary and part-time workers struggle to accumulate sufficient contribution periods, so they often resort to the means-tested schemes — subject to the condition of not exceeding 75% of the minimum wage — covered by the unemployment assistance scheme.

**Maternity/paternity benefits**

In Italy, maternity/paternity benefits are among the schemes for which non-standard workers are most at risk of being less well-covered than other categories of workers.

**Old-age pensions and survivors' benefits**

The Italian experts highlight that the pension system mostly penalises — in terms of expected pension levels — workers with part-time or short careers (30 years), which is usually the case for temporary workers.

**3.2 SELF-EMPLOYED**

Statutory access to benefits for the self-employed varies widely between countries and, within the same country, between different schemes (see also Section 2.8.2). Moreover, coverage can vary among the categories of self-employed within the same scheme. This section discusses the *de facto* coverage of benefits and the building of entitlements for the self-employed.

There can be difficulties in accruing entitlements and ensuring the adequacy of benefits, because of two main elements: a) eligibility conditions which are hard to meet, often because they have been tailored to salaried employment (e.g. contributory periods and cessation of activity requirements); and b) contribution rates/lump sums and, especially, difficulties with the income assessment base which can be related to several issues: income paid on long previous periods of earnings, upfront payments (advance social security payments), payments of arrears, under- or non-reporting of income.

### 3.2.1 BUILDING ENTITLEMENTS AND ADEQUACY OF BENEFITS

As is the case for non-standard workers, the self-employed often find it difficult to build up entitlements because of eligibility conditions which do not take into account their specific situation. Moreover, in some countries the self-employed may receive lower benefits because these are defined as a lump-sum rather than in relation to earnings, as for salaried employment. Nevertheless, in some countries, although the self-employed have access to some schemes, eligibility criteria and the rules relating to benefit calculation are not particularly suited to their situation and needs. It would seem that systems basically try to fit the self-employed into criteria developed with standard workers in mind, i.e. systems are trying to treat and translate working hours and income of the self-employed as if they were salaried workers, instead of tailoring criteria to the specific characteristics of self-employment. Box 5 provides some examples of these difficulties.

#### **Box 5: The self-employed: examples of the inadequacy of social benefits including because of difficulties in meeting the eligibility conditions**

##### **Sickness benefits**

In Belgium, the amounts paid to self-employed persons are equal to the minimum amounts paid to white-collar employees after six months of sickness. As a result, the adequacy of sickness benefits in cash is lower for the self-employed than for standard workers.

In the Netherlands, about 3% of the self-employed who wish to take out insurance are refused, and about 8% of self-employed persons without employees who wish to take out insurance do not follow through on their application because of additional requirements set by the insurance company.

In Portugal, the maximum period of sickness benefit receipt is three times shorter and the waiting period is ten times longer for self-employed than for salaried employees. These conditions may explain the very low proportion of self-employed (2.4%) among the total number of beneficiaries of sickness benefit (2016).

In Sweden, a potential problem in connection with sickness benefits for self-employed workers concerns the number of waiting days, whereby self-employed workers, particularly those with low business income, may be tempted to choose more waiting days in order to reduce social security contributions, thus weakening the protection which the sickness benefit can provide.

##### **Maternity/paternity benefits**

The self-employed have access to these schemes in most of the countries but they may not fully benefit from them because they cannot be absent from work and no replacement services are easily accessible (e.g. HU, IT, FI, SE). In Finland, about 60% of self-employed women and about 70% of men say that the line between work and leisure is hard to draw, against 20% and 30% of salaried employees in this situation.

##### **Old-age pensions**

In Italy, the average pensionable income of the self-employed is lower than the one for standard workers<sup>47</sup>. Moreover, projections show a large decline in replacement rates for the self-employed by 2040. In 2010, a self-employed worker had a gross replacement rate of 77.2% and the rate for a salaried worker was 73.7%. In 2040, the figures would be respectively 47.3% for self-employed and 61.7% for employees.

In Poland, the self-employed represent a very small fraction of pensioners, compared to the share of self-employed in total employment. The ESPN experts assume that they switched to Labour code employment contracts at the end of their working careers and claim their pensions based on rules for employees.

##### **Unemployment benefits**

In Denmark, the self-employed have a lower take-up rate in unemployment benefit than workers because of the eligibility conditions (see Section 2.4), and receive lower unemployment benefit

<sup>47</sup> The income is €200 lower and even €382 lower if the mandatory supplementary pensions are taken into account.

than people in salaried employment, with a shorter period of receipt of benefits. Moreover, to become eligible, the member must document the end of self-employment. This is often a comprehensive and difficult task, as is reported by both the self-employed and the unemployment insurance funds. The exit rate from unemployment is lower for self-employed than for employees (immigrants with a non-Western background are over-represented among the self-employed on unemployment insurance).

In Finland, 85.9% of full-time permanent employees are members of unemployment funds (contributory benefit) against only 21% of self-employed on their own account and 10% self-employed with employees. On average, an employee earning €2,500 would get monthly unemployment benefit of €1,500 (contribution-based), whereas the basic monthly allowance for the self-employed would be €697. The flat-rate basic benefit, i.e., basic daily allowance is provided for 400 days, and thereafter a labour market subsidy for an unlimited period in time, are available also to the self-employed.

In Greece under the current system (to be reformed as of 2017) it is estimated that 85.9% of those at risk of ineligibility for unemployment benefit are self-employed.

In Romania, unemployment insurance is optional for the self-employed but is conditional upon pension and health insurance. The estimated number of independent self-employed paying unemployment contributions is insignificant — less than 1% in 2016.

In Spain, coverage of the new unemployment scheme for the self-employed (2010) is estimated at just 18% of potential claimants — but due to the low amount of the benefit and the condition of proof of 'involuntary cessation of activity'.

In Sweden, unlike in Denmark, the self-employed have the possibility to put their company on hold. However, the Swedish experts report that this rule may make self-employed people less likely to register as unemployed and to apply for unemployment benefits. If the corporate activity is re-activated, the self-employed person is barred from unemployment benefits for a period of five years, to reduce fraud. Moreover, unlike employees, self-employed persons cannot be partially unemployed and receive benefits. Another problem, which often is experienced as most problematic by the self-employed themselves, is that the benefit does not provide compensation for the fixed costs associated with running a business. This problem is of course aggravated the higher the fixed costs are. Even though the corporate activity of the self-employed person needs to be terminated or put on hold, many fixed costs are difficult to avoid in the short term (e.g. rents for office space and storing of stock, instalments on expensive equipment).

### **Social assistance**

In Poland and Switzerland, the self-employed may have limited access to social assistance benefits.

### **Occupational injuries and work accidents**

In Finland, compensation in the case of a work accident would be about €2,500 for the employee and €1,750 for the self-employed, or if the person is not eligible for income-related benefits, the universal minimum allowance would be approximately €622 a month.

In the Netherlands, only one-third of self-employed persons without employees take out insurance against incapacity for work.

Several experts have also pointed to the low take-up of voluntary state or private insurance (e.g. DE, DK, FI, RO, SE). In Romania, for instance, the share of the self-employed who opt into sickness insurance and unemployment insurance schemes is negligible.

Voluntary financed schemes are not popular among the self-employed. For instance, the Danish and Swedish ESPN experts conclude that many self-employed do not prioritize the purchase of private insurance. Likewise, the German ESPN experts report that it is 'fanciful to expect that all self-employed persons will voluntarily provide for their old age and take out a life insurance policy as early as possible and at a sufficient level'. The self-employed in Belgium receive only a very low sickness benefit, although this can be topped up by an amount paid by non-compulsory private insurance. The latter has very low subscription levels. Moreover, only 54% of the self-employed are affiliated to the voluntary funded Pension Scheme for the Self-Employed. Some other countries have established schemes

(for detailed information see Section 2) or eligibility conditions tailored specifically to the self-employed.

### **3.2.2 CONTRIBUTION RATES AND INCOME ASSESSMENT BASES FOR THE SELF-EMPLOYED: LEGAL PROVISIONS AND ACTUAL PRACTICES**

Contribution rates play an important role when comparing salaried employment and self-employment. Contributions are paid on specific income bases within countries, schemes and groups of self-employed.

National systems may be classified into two main groups with regard to the contribution rates applied to the self-employed compared to salaried employment (employees' and employer's contributions taken together).

The first group covers only a few countries (e.g. BE, BG, HU, EE, IE, IT, NO, UK) where contribution rates for the self-employed are considerably lower (lower than 3%) than those for contractual employment. For instance, in Belgium, it is even more pronounced since for the salaried workers, there is no upper limit for contributions while for the self-employed there is a maximum income where the contribution rate becomes 0%; below this maximum income the contribution rate is digressive which is not the case for salaried workers.

The second group is made up of countries where contributory rates are equal or only slightly lower or higher (1-3%) for the self-employed. This is the case for healthcare insurance (e.g. EL, CZ, HR, LT, MK, PT, SE, SI, SK, TR), sickness benefits (e.g. CZ, LT, MK, SE, SI, SK, TR), old-age pensions (e.g. DE, ES, FI, HR, CY, CZ, LI, LT, LU, LV (except for micro-enterprises), MK, PL, RO, RS, SE, SI, SK, TR), unemployment insurance (e.g. CZ, HR, LT, MK, SE, SI, SK) and occupational injury/ accident at work insurance (e.g. CZ, HR, SE, SI, SK, TR) which are in most cases provided at similar rates.

In some countries, while contribution rates apply to contractual employment, the self-employed may be required to pay a monthly/ weekly flat rate for some schemes (e.g. unemployment benefits: EL).

Income assessment bases play a salient role regarding the accrual of entitlements to benefits for the self-employed. On the one hand, if the self-employed person pays social contributions on a very low income assessment base, s/he will receive a low level of benefits. On the other hand, if the reference base is too high, s/he may not be able to pay the required contributions. These issues may be related to the way of calculating the income base reference income periods, fixed income etc. Moreover, the requirements for advanced payments may also hinder the self-employed person's ability to build up entitlements. Income assessment bases which are calculated on long previous periods of earnings may not take into account their fluctuating income. This kind of estimation-based system may hinder the ability of the self-employed to pay social contributions if their current income decreases below the estimated one. Similar issues may arise if the self-employed need to pay their social contributions in advance.

Another important barrier to the accrual of entitlements to benefits has been reported by ESPN experts: under-reporting of income and tax avoidance, which may lead to exclusion from benefits or only partial coverage (e.g. BG, HU, EE, LT, LV, RO, SK). Some experts have also related under-declaration (tax avoidance) of income to informal work (e.g. BG, EE, HU, IS, LT, LV, MK, RO, RS, TR). In Turkey, informal work among the self-employed is quite common: available data from 2011 indicate that only 44% were fully up-to-date with their contribution payments, whereas 33% were in arrears. Moreover, the remaining 23% had never paid any contributions after registering. In Iceland, the 'black economy' is estimated to represent 15% of GDP. Among the main motives for undeclared work are the low revenue of the enterprise, low labour costs for competitive activities (e.g. MK: freelancers) and a lack of control by the authorities (e.g. BG, CY, EE). Moreover, in some countries the self-employed may opt for what could be named a 'legal optimisation': for instance, workers employed simultaneously under a labour-code-based contract and a Civil-code-based contract (e.g. PL, LT).



Tax avoidance may be related to the aforementioned issues of calculating the income assessment base and some experts point to the generally inadequate level of certain benefits in their country (e.g. BG, HU<sup>48</sup>) which can act as a disincentive to contribute (or to do so only at a minimum level). As an example, the Romanian ESPN experts describe an extreme situation: the self-employed make up 17.6% of employed people (and 26.6% when including family workers), but 90% of them are not covered for old-age pensions, invalidity, sickness or maternity benefits because of under-insurance. As mentioned before, sickness and unemployment insurance are voluntary in Romania, while pension and health insurance are compulsory for earnings exceeding the minimum insurable threshold; this represents 35% of the average gross salary at the national level per month, or roughly 4 average gross salary annually. The ESPN Romanian experts highlight the fact that only a few self-employed contribute to social insurance due to both high contributory rates and the calculation of the assessment base. The minimum insured income represents 35% of the gross average salary (currently €592). They assess that in order to be eligible for healthcare and old-age pension insurance, the self-employed would need to pay a minimum of €70 each month, which is a high cost to bear in the Romanian economy. Romania offers an option for those who do not pay their health insurance is to pay seven months of contributions retroactively at the time when they want to access medical services, i.e. 5.5% of seven minimum gross salaries. This is the preferred alternative for many self-employed people. Box 6 illustrates several examples related to role of income assessment bases.

Contrary to most of the previous examples of serious challenges in defining and assessing the reference income for social security contribution payments, the Belgian ESPN experts highlight a best practice: a balance between paid contributions and spending for the self-employed: the contributions paid by the self-employed amounted to some 5% of total social contributions received, and social security spending for the self-employed amounted to 6 to 7% (estimates in absolute terms show that the amount received corresponds to the amount paid). Due to social policy measures focused on developing a fully-fledged social status for self-employed persons, there has been a net improvement in the adequacy of some benefits. For instance, since 2016 the minimum pension for self-employed persons has become equal to that for salaried workers. However, the Belgian report points to some issues for the future financing of social security: a) the current contribution rates for the self-employed decrease as income rises; and b) there is an annual ceiling on contributions.

In sum, there are two main conclusions regarding the income assessment bases for social contributions. First, the self-employed may face difficulties in building up entitlements, because of criteria for calculating income assessment bases which are difficult to meet (estimated income related to long periods of earnings, advance payments etc.). These issues may be one of the reasons for under- or non-reporting of income, which reduces take-up and leads to inadequate benefits, while increasing the social security deficit and the burden on the system. Secondly, these factors may be seen as leading to an increase in 'free-riding' in social schemes. In this respect, they may contribute to a rise in social assistance expenditure. The results of these issues may be that a lack of/ less favourable legal provisions combined with some illegal practices create conditions of unfair economic competition between enterprises, leading to a kind of social dumping within the country.

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<sup>48</sup> The amounts of some lump-sum benefits have not changed since 2008, meaning they had lost around 30% of their real value by 2016.

**Box 6: The issue of income assessment bases**

In the Czech Republic pension benefits for the self-employed are estimated to be around 38% lower than for a standard worker (for the same labour costs), because of the income assessment basis from which the pension contributions are paid. This is mainly due to the fact that expenses can be determined either as expenses incurred or as a lump-sum percentage of revenue. About 52% of the total number of self-employed used the second option in 2012.

In Estonia, there is a 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.

In Greece, the differences in pension levels between the self-employed and salaried workers are not due to different replacement rates but to different income assessment bases. They are also due to the fact that the self-employed insure themselves at a low assessment base.

In Latvia, the average self-employed person pays contributions only on an amount slightly above the minimum possible contribution base: 85%-90% of the self-employed pay contributions based only on a minimum monthly wage. This is estimated to be a problematic issue for future public welfare budgets and other contributors.

In Poland, almost all the self-employed declare the minimum required income level, i.e. 60% of the average monthly wage (yearly presumed in the state budget). This declared level is not linked in any statutory way to the actual income of the self-employed, as observed in the tax system. Moreover, the Polish experts emphasise that the income of the self-employed in their country cannot currently be properly assessed (in particular the part relating to the consumption of those workers and the amount to be re-invested) as they are also covered by the simplified tax rules.

In Romania, as already mentioned, sickness insurance is voluntary and the proportion of those registered is insignificant, even though the contribution rate accounts for a mere 0.85% of the assessment base.

In Slovenia, almost 70% of self-employed persons paid social security contributions on the minimum insurance base for pensions (2016 data). The minimum insurance base for the self-employed was €870 in 2016, while their average insurance base was €1,074. The ESPN experts highlight that in comparison with the average Slovenian gross salary of €1,558, the self-employed will on average receive substantially lower pensions.

In Spain, the average monthly base of the self-employed is approximately 36% lower than that of salaried workers. 86.1% of the self-employed are insured at the minimum contribution base. This is the case for 90% for persons under 40 years and 97.4% of foreigners. From the age of 55, 30.8% pay higher contributions than the minimum base in order to get higher pensions.

In Sweden, a problematic issue is the lack of transparency in determining the income base used to calculate the level of sickness benefits. Particularly in occupations where income from self-employment fluctuates substantially, the income base for sickness benefits is often considered unpredictable and difficult to calculate.

**3.2.3 DEPENDENT SELF-EMPLOYED AND BOGUS SELF-EMPLOYED**

The social benefit coverage of the dependent self-employed and especially of disguised employment (bogus self-employment) is difficult to estimate. The ESPN experts' reports show that the social benefit coverage of disguised employment is likely to be lower than for standard workers, as employers use this form of employment to avoid paying social contributions, instead requiring workers to insure themselves (e.g. PL, SK). For instance, in Poland, the cost of social protection is particularly high in the case of the 'bogus' self-employed, as the entire cost of financing their social insurance contributions is shifted to their income, while in the case of salaried workers, a significant share of contributions is financed by the employers. In the case of those self-employed whose income is higher than the minimum declared level, the replacement rate from the benefits is lower. In Slovakia, a recent study assessed that 'preferential tax treatment for the self-employed spurs tax evasion and bogus self-employment'. Moreover, a non-negligible number of the self-employed can be considered to be 'bogus self-employed': as they work every day for the same employer, the latter thus by-passing tax obligations. In France, the role of labour courts is very important in reassigning labour statuses, especially in the case of 'dependent' and 'bogus' self-employment. A judge could potentially redefine auto-entrepreneur activity

(self-employment) as a salaried work contract in cases where a position of permanent legal subordination is established. In such cases, the auto-entrepreneur is considered as a salaried worker and thus falls under the general social security scheme.

The situation with regard to dependent self-employment is also quite complex. However, in many countries dependent self-employment enjoys both more statutory and actual protection than the other categories of the self-employed because this kind of employment is a sort of a hybrid status, between salaried employment and self-employment (e.g. DE, ES, IT, PT, RO, SI). Box 7 provides examples of social protection for the 'dependent self-employed'.

#### **Box 7: Social protection for 'dependent self-employed'**

In Germany, since 1999, self-employed without employees dependent on a single client have also been subject to compulsory insurance for old-age pensions.

In Italy, a specific new scheme was introduced in 2015 (Bill no. 22) for 'dependant self-employed' persons working on continuous collaboration contracts (co.co.pro., *Collaborazioni coordinate a progetto*), who lose their job. In particular, they must have paid contributions for at least one month during the previous year or have a contract with a duration of at least a month. DIS-COLL is provided for a number of months, and is equal to half of the months of contributions paid in the previous year. The maximum duration of the scheme is six months. No pension contribution on behalf of the unemployed person is paid when receiving the DIS-COLL. The amount of the benefit is equal to 75% of the monthly average income. The amount cannot exceed €1,300 and the benefit is reduced by 3% from the fourth month on.

In the Netherlands, only those self-employed who work at the premises of/under supervision of an employer ('dependent self-employed') are compulsory covered by occupational and work injury schemes.

In Portugal, the dependent self-employed enjoy better legal protection than the other categories of self-employed. Since 2012 they have had access to unemployment benefits. However, the eligibility conditions for these people are different than for salaried employees (720 days in the previous 48 months compared to the 360 days in the previous 24 months applicable to most salaried workers).

In Romania, dependent self-employed workers (with one client) benefit from compulsory pension and health insurance (while for the 'independent' self-employed, this is conditional on a certain income), and the level of social contributions paid by the employer is equivalent to that for a salaried worker. The beneficiary of the work is required to pay contributions equivalent to those of an employer. Yet, compared to a salaried worker, the dependent self-employed do not have mandatory insurance against unemployment, and their job stability is not guaranteed.

In Spain, the 'independent' self-employed can only voluntarily opt into accident at work insurance, while this is compulsory for the dependent self-employed ('economically dependent self-employed' — TRADE).

## **4. REFORM TRENDS AND LABOUR MARKET CONSEQUENCES OF EXTENDING SOCIAL PROTECTION FOR NON-STANDARD WORKERS AND THE SELF-EMPLOYED**

This section presents the main policy shifts and reforms affecting the social protection of non-standard workers and the self-employed. Section 4.1 focuses on the situation of non-standard workers. Section 4.2 describes some reforms on extension of social protection for the self-employed. Section 4.3 describes some consequences — for social security policies on the one hand, and for labour costs on the other hand. Section 4.4 concludes on current policy debates.

### **4.1 REFORMS IN THE SOCIAL PROTECTION OF NON-STANDARD WORKERS**

Reforms aimed at non-standard workers can be carried out by stealth at the same time as the main reforms for standard workers (e.g. changing eligibility conditions for some schemes). Very often part-time work and temporary work have been developed as part of a general employment policy to increase labour flexibility. Furthermore, a majority of the countries introduced social security reforms during the economic and social crises in different domains<sup>49</sup>. Poverty risk among non-standard workers has become a new challenge for social security systems, with tension arising between maintaining high levels of labour flexibility and guaranteeing social protection similar to that of full-time salaried workers.

There have been three main pathways of extending protection to non-standard workers. The first path consists of integrating some categories of non-standard workers which previously did not have access or were only partially covered by a social security scheme into the general social security system. For instance, since mid-1990 Austria has had a strategy of integrating all types of gainful employment into the social security regime, i.e. regarding new self-employed, marginal part-time workers and freelance contractors (extension of health insurance, pensions and unemployment insurance). In Spain, a new and more favourable way of calculating the contribution periods for contributory social security benefits (excluding unemployment benefit) has been used for part-timers. In Croatia, a 2017 tax reform extends the obligation to pay social security contributions to some non-standard workers. In Slovenia, employers' contributions (since 2013) and employees' contributions (since 2014) to pension and disability insurance have been paid on work subject to civil law contracts. Similarly, since 2015 social security contributions have been paid on student work, which has eliminated the main factor that made it a precarious form of temporary and occasional work.

The second path consists of re-defining the number of temporary jobs by transforming them more quickly into permanent employment. For instance, in the Netherlands, as of 2015, new rules are aimed at getting steady work for flexi-workers<sup>50</sup>. In Poland, in 2016 the rules of social insurance coverage of workers under civil law commission contracts were aligned with the rules applicable in the provision of employment under contracts of employment based on the Labour code. The new principle of the minimum base for social insurance equal to minimum wage was introduced. As a result, if an employee is covered by more than one contract with a remuneration lower than the minimum, the social insurance contribution is paid on the basis of all relevant contracts, up to the required minimum. This provision reduced the possibility to hire non-standard employees on very low base contract covered by social insurance and combine it with another contract with a higher base, not covered by social insurance. Moreover, since 1 January 2017 the new

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<sup>49</sup> For a general overview of social protection reforms see European Commission, 2016b and ILO 2016; for pension reforms see European Commission (2015b) and Natali *et al.* (2016); sick pay and sickness benefits Spasova *et al.* 2016)

<sup>50</sup> New rules refer to the probationary period (should not be with contracts shorter than 6 months), the non-competition rule (not allowed if there is no permanent contract) and the number of successive temporary contracts — a fourth extension of more than two years on a temporary contract automatically transforms it into a permanent position.

minimum income provision covers people working under 'commission contracts'. It introduces a minimum hourly rate for such contracts. This limit will be increased every year, following the growth of the minimum wage.

Finally, the third reform path consists in re-defining dependent self-employment under more regular labour law and to apply the social security rights of salaried workers (e.g. PL).

It should be noted that there have also been reforms moving in the opposite direction (e.g. CZ, NO, RO), namely towards reducing protection for non-standard workers. For instance, the Czech Republic in 2011 abolished the possibility of combining part-time employment with unemployment benefits. In Romania, deregulation of labour relationships took place in the immediate aftermath of the economic crisis, with a view to increasing job flexibility and lowering social protection.

## 4.2 EXTENSION OF SOCIAL SECURITY FOR THE SELF-EMPLOYED

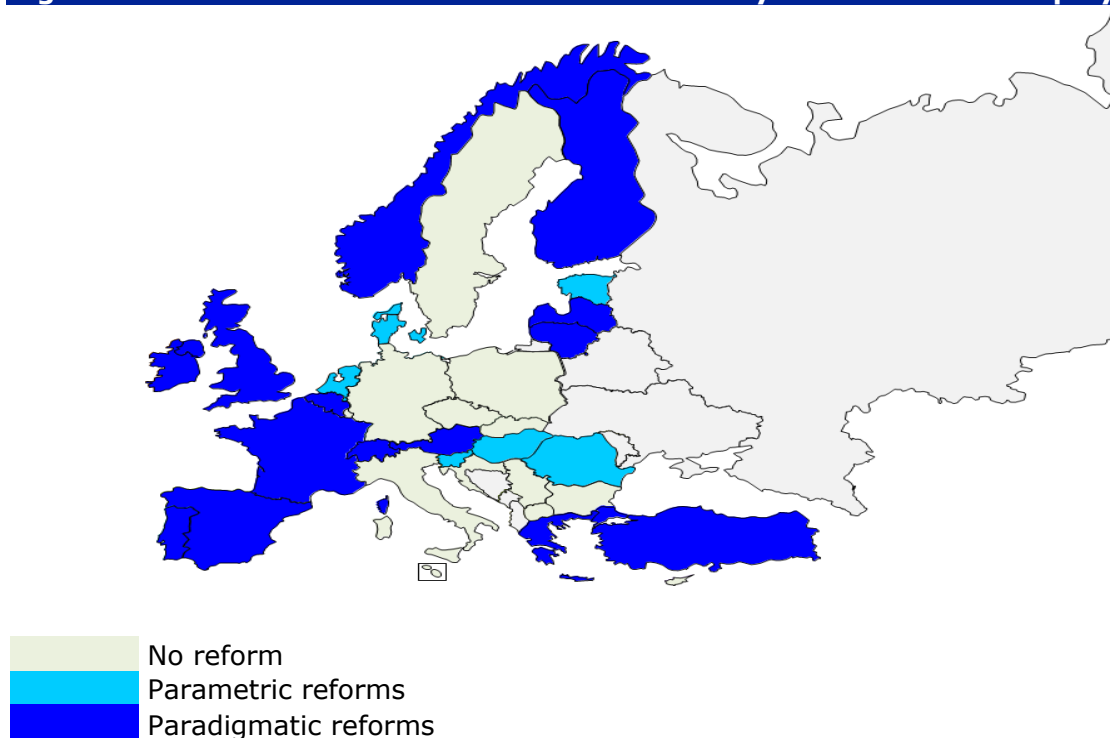
We have seen that many of the issues raised are related to a lack of legal entitlement as well as difficulties in meeting the eligibility conditions and poor contribution records (due to reference income base settings and, in some cases, tax avoidance and informal work).

Recent reforms aimed at extending the social protection of the self-employed are described in 18 countries (AT, BE, CH, DK, HU, EE, EL, ES, IE, FI, FR, LT, NO, PT, RO, SI, TR, UK). These are mainly trends towards coordination and harmonisation, between the social protection of the self-employed and the general social security schemes (see Table 5 and Figure 9).

We distinguish between two main types of reforms: a) parametric reforms consist of changes in some parameters/ mechanisms of a scheme (e.g. changes in the calculation base, harmonisation of contribution rates, changes in the eligibility conditions) within an unchanged institutional system; and b) paradigmatic reforms aimed at an extensive integration of self-employment into social security — e.g. creation of new statuses, all-encompassing harmonisation of the status of the self-employed, creation of new social benefit schemes in favour of the self-employed. In some cases, the same country can appear in both clusters because both types of reforms have been undertaken.

**Table 5: Extension of social protection to the self-employed: typology of 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

**Figure 9: Recent reforms on extension of statutory access for self-employment**

Source: author's own elaboration.

Experts from nine countries mention parametric reforms aimed at extending the coverage of the self-employed (DK, EE, ES, HU, NO, NL, PT, RO, SI). These reforms include granting full access to maternity/paternity cash benefits and to the relevant services offered in connection with childbirth (NO), greater flexibility to take up maternity leave (BE), more favourable conditions for self-employed carers of dependent persons (BE), increasing the minimum insurance base (SI), favourable tax reforms (e.g. PT, HU) or reducing the social contributions for the self-employed (ES).

Paradigmatic reforms which are reported in 14 countries<sup>52</sup> (AT, BE, CH, EL, ES, IE, FI, FR, LT, LV, NO, PT, TR, UK). Some of these reforms are illustrated in Box 8.

<sup>51</sup> Out of which eight members of the EU (of which five members of the Eurozone).

<sup>52</sup> Out of which eleven members of the EU (of which nine members of the Eurozone).

**Box 8: Paradigmatic reforms aimed at extending social security to the self-employed**

In Austria, new self-employed have been included in pension, health and work accident schemes since 2000.

In Greece, the new pension system (as of 2017) brings together several social insurance funds into one unified pension fund<sup>53</sup>. The establishment of this fund implies the application of uniform rules for contributions and benefits to all salaried workers and the self-employed. The income assessment base was calculated until end of 2016 as percentage of the so-called 'imputed income', which is a fictitious income (and not the real income)<sup>54</sup>. Since 1 January 2017, the 'self-employed' contributions are calculated as a percentage of their net taxable income of the previous year, to be paid in 12 monthly instalments.

In France, a new status of self-employed 'auto-entrepreneurs' was created in 2008 (see Section 1).

In Latvia, the creation of the Microenterprise Tax status (2010, see Section 1) aims at reducing unemployment, encouraging citizens to start their own business and simplifying tax payment procedures.

In Lithuania, the 'Social Model' reform aims to include more people working as self-employed or on non-standard contracts in the State Social Insurance Fund system. The coverage of the self-employed is becoming much closer to that of salaried workers (e.g. entitlement to sickness benefits as of 2017).

In Finland, an important issue has been to close down the option to self-report income for insurance purposes. There have been discussions as to whether registered income should be used as the basis for insurance fees instead of self-declaration (which often leads to low income coverage).

In Belgium, a long process of harmonisation started in the 2000s. The self-employed have been included in compulsory state insurance for most social risks: healthcare and sickness benefits, long-term care, invalidity benefits, maternity benefits, family benefits, old-age pensions, survivors' pension.

In Turkey, following the 2008 all-encompassing labour market reform, coverage for the self-employed became similar to that of salaried workers (e.g. similar entitlements to old-age pensions, healthcare and most of the other benefit schemes).

Ireland extends invalidity pensions and the treatment benefit (healthcare) to the self-employed as of 2017.

In Switzerland, the self-employed have access to family benefit since 2013.

Unemployment insurance has been extended to the self-employed in Spain (2010), Greece (2011), Portugal (2013), Lithuania (2017).

In Norway, benefit for carers of dependent persons has been extended in 2015 to also cover self-employed individuals.

In Spain, the new regulatory framework, with Law 20/2007 on the Self-Employed Work Statute, now treats employment and self-employment equally in relation to social protection.

In the UK, the new single-tier state pension is available to the self-employed as of 2017.

If the cluster on statutory access to social protection for the self-employed is taken into account, there is a possibility to see the countries which can be labelled as 'movers' in

<sup>53</sup> Notably the integration of all six main existing social insurance pension funds for employees and self-employed persons into a single, 'Unified Agency of Social Insurance'. These funds were the following: Social Insurance Fund for Salaried Employees, Farmers' Insurance Organization, Insurance Organization for Freelancers, Unified Fund for Independent Employed, Unified Insurance Fund for the Staff of Mass Media, Insurance Organization for Sailors.

<sup>54</sup> The 'imputed income' of the self-employed constituted — for social insurance purposes — a pre-defined average income attributed to the social insurance category that the self-employed belonged to. Until the end of 2016, the self-employed were classified in different social insurance categories according to the number of years in practicing their profession.

terms of reforms related to the 'extension of the social protection for the self-employed. As can be seen from Table 6, several countries from the medium and low access clusters have undertaken 'paradigmatic reforms' (see Box 8 for more details).

**Table 6: Reforms on extension of the statutory access to insurance-based schemes for the self-employed**

		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
Extension of social protection	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

#### 4.3 EXTENSION OF SOCIAL BENEFIT SCHEMES TO THE SELF-EMPLOYED: UNCERTAIN IMPACT ON SOCIAL ASSISTANCE

As discussed in Section 1, poverty risk rates of the self-employed are higher than those of employees in all 35 countries except Hungary and Bulgaria. In countries where undeclared incomes are rather low, the large number of self-employed among the income poor means that their situation is not due to an absence of fairness but to insufficient income, partly because of their weak position in negotiating prices or business contracts (price-takers).

One way to reduce income poverty among the self-employed (and their dependence on social welfare systems), would be to extend social security schemes to them. However, according to the ESPN experts' reports, there are no data directly showing a substitution trend in the recent period. Therefore, we can only try to build some arguments from sparse information. Extending social security benefits, especially earnings-related benefits, would need a clarification of income assessment bases. Also, specific policies to prevent informal work.

This increase can have opposite consequences for social assistance schemes. Sometimes (e.g. SI) contributions are so low that even after an increase in the minimum insurance base (from the gross minimum wage to 60% of the national average annual gross salary) and contributions, there will not be any positive impact on the future pensions of the self-employed, while this increase negatively impacts their current disposable income. In a period of recession, there is a risk of ever-increasing demand for social assistance. This demand can also increase when the income base expands due to the fight against informal work. As seen before, informal work is often associated with a high non-take-up of benefits, including social assistance benefits. If informal work declines, take-up could increase and, ultimately, the social assistance budget will increase.



## 4.4 CURRENT POLICY DEBATES

This section presents some ongoing policy discussions on self-employment and non-standard work reported by ESPN national experts and dealing mainly with labour markets and social policies<sup>55</sup>. Policy debates on the issue of how to extend coverage and improve the level of benefits for the self-employed and non-standard workers are ongoing in many countries under scrutiny. For instance, the Swedish government recently assessed the social protection system for self-employed and temporary employed workers. Concerns were mostly raised in relation to sickness and unemployment benefits, where existing legislation may restrict access to adequate social protection for both self-employed and temporary workers. In Italy, the 'Jobs Act' pertaining to non-entrepreneurial self-employed workers is under discussion in the Chamber of Deputies during 2017. This act includes new measures for parental leave, maternity allowances and sickness allowances for this category of workers. In the Czech Republic, the calculation of paternity leave and paternity benefit and their extension to the self-employed will be discussed in the Parliament in 2017. In Denmark, an analysis by the Unemployment Insurance Commission has recently identified potentially problematic issues for non-standard workers and the self-employed, and has suggested establishing a system better tailored to these categories. A special task force was set up in March 2016 to come forward with recommendations for how to simplify and bring the scheme into line with the general unemployment insurance scheme by 2017.

Old-age pensions are an area of social protection for which a significant share of the self-employed do not build up sufficient entitlements. In the Netherlands, the government is currently reviewing possible ways to increase pension coverage for the self-employed by introducing incentives. In 2016 in Denmark, the Liberal government proposed the introduction of mandatory pension saving for persons without sufficient savings, though not particularly targeted at the self-employed. The proposal was to introduce compulsory saving for those groups with insufficient savings. However, this was opposed by representatives of the self-employed, who preferred their members to be able to decide themselves when and how much to save. Due to a lack of general political support for the reform-package of which it was part, the proposal was not adopted and is not part of the programme for the new coalition government announced on 27 November 2016.

In Portugal, the ESPN experts report a declared intention to extend the mechanisms already in place regarding bogus self-employment to other bogus employment situations such as bogus traineeships, and to include mechanisms for the protection of precarious workers against unemployment. During the discussion of the Draft State Budget for 2017, the Minister of Labour, Solidarity and Social Security acknowledged that the current protection in Portugal is too limited and emphasised the need to ensure that true self-employed workers make acceptable levels of contribution.

In the former Yugoslav Republic of Macedonia, a policy initiative aiming to extend social insurance coverage towards the self-employed was undertaken in mid-2014, through a governmental plan to introduce obligatory social contributions on income from temporary service work and copyright contracts. However, changes made to the Law on compulsory social contributions (2014) were abolished in 2015. Aside from debates related to easing the process for establishing businesses, there are currently no policy debates aimed at extending social protection to the self-employed and non-standard workers.

In Finland, there have been discussions about zero-hour contracts and seasonal workers. In December 2015, a citizens' initiative followed on from a report made for the Ministry of Economic Affairs and Employment, and proposed the prohibition of zero-hour work contracts, as well as the introduction of mandatory minimum working hours. More research has been called for. A report on the employment status of seasonal workers ordered by the Ministry of Economic Affairs and Employment proposed that all foreign wild berry pickers should be officially employed. The proposal was found to be difficult to coordinate with the existing definition of employment, where it is sometimes hard to make a clear distinction between dependent employment, different forms of self-employment and other

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<sup>55</sup> Reforms are presented in Section 4.1 and 4.2

non-standard work. An information desk for foreign berry pickers was set up by the Ministry in July 2014.

In Croatia, the Czech Republic, Ireland and the United Kingdom, the main policy discussions revolve around the issue of taxation. In the Czech Republic, the lower tax wedge (tax bonuses and lower pension fund contributions) for the self-employed is the subject of frequent discussions, notably in the context of the public finance deficit. In Ireland, the increase in non-standard employment is an ongoing concern because of the loss of social security revenue. In the United Kingdom, one relevant debate gaining pace is on the funding side: this concerns the potential for closer alignment, or even merging, of income tax and National Insurance Contributions (NICs). This would have implications for self-employed people in particular, but also – because of the growing gap between the lower earnings limit for social security contributions and the personal tax threshold – for part-time and low-paid employees. The Croatian parliament has recently debated, and adopted on 2 December 2016, a tax reform package due to come into effect on 1 January 2017. The reform involves the extension of social protection and the obligation to pay social security contributions to non-standard workers through the broad suggestion to treat different kinds of income similarly for tax and contribution purposes. The proposal has raised concerns that a significant proportion of artists and creative workers, who exist on incomes barely above the poverty line, will see the net value of these incomes reduced considerably.

In Finland, the government is starting a basic income experiment in 2017 to see if it would improve economic security and social protection among the precarious workforce, self-employed or in non-standard employment contracts<sup>56</sup>. Debate about a 'basic income' has also gained pace in the United Kingdom in recent years; however, no major political party is currently advocating its introduction.

Technologically-driven new developments in the world of work have spurred a debate in many countries (e.g. CH, DE, EE, FR, IS, HR, NO, RS, UK) (see Box 9). Whether referred to as the 'sharing economy' or the 'gig economy', the emergence of these new ways of working (highly dependent on one or a small number of web-based platforms) is expected to accelerate, raising a number of issues. As highlighted by the French and German experts, the digitization of the economy makes it increasingly difficult to determine the boundaries between dependent employment and self-employment. Governments and trade unions are therefore paying increasing attention to this issue in several countries. In the United Kingdom, the Work and Pensions Select Committee set up an inquiry into self-employment and the gig economy, with a particular focus on whether the UK welfare system adequately supports these workers. More examples are provided in Box 9.

Trade unions are beginning to challenge the employment conditions of the self-employed, including through judicial means, with some success (see Box 9). As mentioned by several ESPN experts (DE, HR, RS), there is a need for research and reliable data on these new forms of work. The Serbian expert, for instance, suggests an update of the Labour Force Survey questionnaire and other regular surveys on employment to cover the new forms of employment in the digital economy.

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<sup>56</sup> As reported by the Finnish ESPN expert, the experiment started on 1st January 2017, with 2000 randomly selected unemployed persons receiving benefits from the Finnish Social Insurance Institution.

**Box 9: Initiatives and debates around the 'digital' economy**

In France, the growing number of auto-entrepreneurs and 'gig' workers in the digital economy raises the crucial question of adapting social protection for self-employed people. The law on digital platforms (2016) obliges digital platforms to cover insurance contributions for occupational accidents for self-employed workers when the latter voluntarily take out such insurance, or to take out an insurance contract, except when the platform has established a collective contract.

In Germany, the Federal Minister of Labour and Social Affairs published a white paper entitled 'Work 4.0' (2016). It contains a range of suggestions and proposals for the shaping of working conditions and the provision of adequate financial and social protection in the rapidly changing world of work.

In Norway, the new 'sharing economy' and platform companies have received considerable attention and caused some controversy. Uber has been declared illegal, and drivers who have performed services under their platform have been taken to court for breaking legislation regulating the taxi industry. The Government (2016) appointed a commission with social partner representatives and academic experts to look into the challenges of the platform economy and to develop proposals to adapt Norwegian policies and legislation.

In Switzerland, this issue is only marginally present in the official debate. A report on the 'Framework conditions for the digital economy' by the State secretariat for economic affairs was approved by the Federal government in January 2017.

In the United Kingdom, the Work and Pensions Select Committee is setting up an inquiry into self-employment and the gig economy<sup>57</sup>, with a particular focus on whether the UK welfare system adequately supports these workers. An employment tribunal has concluded that Uber drivers are not self-employed but are workers (albeit not employees) entitled to essential workers' rights, including the National Minimum/Living Wage and paid holiday<sup>58</sup>.

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<sup>57</sup> The phrase 'gig economy' was coined at the height of the financial crisis in early 2009, when the unemployed made a living by gigging, or working several part-time jobs, wherever they could (Financial Times, 29 December 2015).

<sup>58</sup> Uber appeals against the ruling that its UK drivers are workers:  
<https://www.theguardian.com/technology/2016/dec/14/uber-appeals-against-ruling-that-its-uk-drivers-are-employees>.

## ANNEX 1: STATUTORY ACCESS TO SOCIAL PROTECTION: NON-STANDARD WORKERS (DETAIL AND SUMMARY)

These tables cover **statutory access** to social protection.

**'Full'** means that the persons have access to the scheme through compulsory insurance, universal benefits or means-tested benefits available regardless of their employment status.

**'Partial'** means that the persons have only partial access to the benefits because of a) statutory differentiation in the eligibility conditions and the period of receipt of benefits compared to standard employment; and b) if insurance-based and non-contributory benefits co-exist, individuals can access only the latter.

**'None'** means that the persons have no access to the scheme.

**'Voluntary opt-in'** means that the persons are not compulsorily insured under a scheme but they can voluntarily join it.

The reader should examine the ESPN experts' reports for more information.

### A) Detailed table

Country	Healthcare	Sickness benefits	Maternity/ paternity benefits in kind	Old-age	Survivors' pensions	Unemployment benefits	Social assistance	Long-term care	Invalidity	Accidents at work & occupational injuries benefits	Family benefits
AT	<b>Full</b> *Partial for marginal part-time and marginal free-lancers	<b>Full</b> *Partial for marginal part-time and marginal free-lancers	<b>Full</b> *Partial for marginal part-time and marginal free-lancers	<b>Full</b> *Partial for marginal part-time and marginal free-lancers	<b>Full</b> *Partial for marginal part-time and marginal free-lancers	<b>Full</b> *None for marginal part-time and free-lancers	<b>Full</b>	<b>Full</b>	<b>Full</b> *Partial for marginal part-time and free-lancers	<b>Full</b>	<b>Full</b>
BE	<b>Full</b>	<b>Full</b> *Partial for students	<b>Full</b> *None for students	<b>Full</b> *Partial for apprentices *None for students	<b>Full</b> *None for apprentices & student work	<b>Full</b> *Partial for apprentices *None for students	<b>Full</b>	<b>Full</b> *None for students	<b>Full</b> *None for students	<b>Full</b>	<b>Full</b>

<b>BG</b>	<b>Full</b> * Partial for part-time workers * None for causal, seasonal and on call workers	<b>Full</b> * Partial for part-time workers * None for causal, seasonal and on call workers	<b>Full</b> * Partial for part-time workers * None for causal, seasonal and on call workers	<b>Full</b> * Partial for causal, seasonal and on call workers	<b>Full</b>	<b>Full</b> * Partial for part-time workers * None for causal, seasonal and on call workers	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b> * None for causal, seasonal and on call workers	<b>Full</b>
<b>CY</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>CZ</b>	<b>Full</b> *Partial for agreement to perform work/job	<b>Full</b> *Partial for agreement to perform work/job	<b>Full</b> *Partial for agreement to perform work/job	<b>Full</b> *Partial for agreement to perform work/job	<b>Full</b>	<b>Full</b> *Partial for agreement to perform work/job	<b>Full</b>	<b>Full</b>	<b>Full</b> *Partial for agreement to perform work/job	<b>Full</b> *Partial for agreement to perform work/job	<b>Full</b>
<b>DE</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b> *Partial for mini-jobbers	<b>Full</b> *Partial for mini-jobbers	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b> *Partial for mini-jobbers	<b>Full</b>	<b>Full</b>
<b>DK</b>	<b>Full</b>	<b>Full</b> *None for paid trainees and vocational trainees	<b>Full</b> *None for paid trainees and vocational trainees	<b>Full</b>	<b>N/A</b> No state survivors benefit scheme	<b>Partial</b> *Full only for Part-time employee	<b>Full</b> *None for paid trainees and vocational trainees	<b>Full</b>	<b>Full</b>	<b>Partial</b> *Full only for part-time employees	<b>Full</b>
<b>EE</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>EL</b>	<b>Full</b>	<b>Full</b>	<b>Full</b> *None for vocational trainees	<b>Full</b> *None for vocational trainees	<b>Full</b> *None for vocational trainees	<b>Partial</b> *None for apprentices, paid trainees and vocational trainees	<b>Full</b> *None for apprentices, paid trainees, and vocational trainees	<b>Full</b> *None for apprentices and paid trainees	<b>Full</b> *None for apprentices and paid trainees	<b>Full</b>	<b>Full</b>
<b>ES</b>	<b>Full</b>	<b>Full</b> *Partial for agricultural workers	<b>Full</b> *Partial for agricultural workers	<b>Full</b>	<b>Full</b>	<b>Full</b> *None for domestic workers	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b> *Partial for agricultural workers	<b>Full</b>
<b>FI</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Partial</b> *Full for part-time and fixed-term workers	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>FR</b>	<b>Full</b>	<b>Partial/None</b>	<b>Partial/ none</b>	<b>Full</b>	<b>Full*</b>	<b>Partial</b>	<b>Full</b>	<b>Full</b>	<b>Full/Partial</b>	<b>Full</b>	<b>Full</b>

				* Partial for part-time *Partial/non e for on-call workers, paid trainees and vocational trainees	*Partial for part-time and on-call workers	*None for on-call workers, paid trainees			*Depending on categories	*Partial paid trainees *None for on-call workers	
<b>HR</b>	<b>Full</b>	<b>Full</b> * Partial for seasonal workers *None for apprentices, student contracts and unpaid trainees	<b>Full</b>	<b>Full</b> *None for Apprentices and student contracts	<b>Full</b>	<b>Full</b> *Partial for casual and seasonal workers *None for Apprentices, student contracts and occupational trainees	<b>Full</b>	<b>Full</b>	<b>Full</b> *Partial for apprentices and student contracts	<b>Full</b> *None for casual workers	<b>Full</b>
<b>HU</b>	<b>Full</b> *None for seasonal and casual workers	<b>Full</b> *None for seasonal and casual workers, paid trainees and vocational trainees	<b>Full</b> *Partial for seasonal and casual workers and vocational trainees	<b>Full</b> *Partial for casual and seasonal workers *None for trainees contracts	<b>Full</b> *Partial for casual and seasonal workers *None for trainees	<b>Full</b> *Partial for casual and seasonal workers *None for trainees contracts	<b>Full</b> *Partial for trainees contracts	<b>Full</b>	<b>Full</b> *None for casual and seasonal workers * None for trainees contracts	<b>Full</b> *None for trainees contracts	<b>Full</b>
<b>IE</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b> *None for vocational trainees	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>IT</b>	<b>Full</b>	<b>Partial</b> *Full only for part-time employees	<b>Full</b>	<b>Full</b> *None for vocational and paid trainees	<b>Full</b> *None for trainees	<b>Partial</b> *Full only for part-time employees *None for vocational and paid trainees	<b>Partial</b>	<b>Full</b>	<b>Full</b>	<b>Full</b> *None for vocational and paid trainees	<b>Partial</b> *Partial for casual and seasonal workers *None for vocational and paid trainees
<b>LU</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>LT</b>	<b>Full</b>	<b>Full</b> *None for casual and seasonal workers	<b>Full</b> *None for casual and seasonal workers (working on voucher based	<b>Full</b> *None for casual and seasonal workers	<b>Full</b> *None for casual and seasonal workers	<b>Full</b> *None for casual and seasonal workers	<b>Full</b>	<b>Full</b> *None for casual and seasonal workers	<b>Full</b> *None for seasonal workers (working on	<b>Full</b> *None for carer of disable	<b>Full</b>

		(working on voucher based contracts), trainee contracts	contracts), trainee contracts	(working on voucher based contracts), trainee contracts	(working on voucher based contracts) and for paid trainees	(working on voucher based contracts), trainee contracts		(working on voucher based contracts), trainee contracts	voucher based contracts), trainee contracts	family member	
<b>LV</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b> *None for seasonal agricultural workers	<b>Full</b> *None for seasonal agricultural workers and imprisoned employees	<b>Full</b> *Partial for seasonal agricultural workers and imprisoned employees
<b>MT</b>	<b>Full</b>	<b>Full</b> *Partial for temporary agency workers and casual and seasonal workers	<b>Full</b> *Partial for temporary agency workers and casual and seasonal workers	<b>Full</b> *Partial for temporary agency workers and casual and seasonal workers	<b>Full</b>	<b>Full</b> *Partial for temporary agency workers and casual and seasonal workers	<b>Full</b> *Partial for temporary agency workers and casual and seasonal workers	<b>Full</b> *Partial for temporary agency workers and casual and seasonal workers	<b>Full</b> *Partial for temporary agency workers and casual and seasonal workers	<b>Full</b> *Partial for temporary agency workers and casual and seasonal workers	<b>Full</b> *Partial for temporary agency workers and casual and seasonal workers
<b>NL</b>	<b>Full</b>	<b>Full</b> *None for apprentices and paid trainees	<b>Full</b> *None for apprentices and paid trainees	<b>Full</b> *Partial for temporary agency, casual and seasonal workers, apprentices and paid trainees	<b>Full</b>	<b>Full</b> * None for apprentices and trainees	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>

<b>PL</b>	<b>Full</b> *Partial for temporary agency workers and casual, seasonal workers and apprentices *None for civil law contracts for a specified task and trainees	<b>Full</b> *Partial for casual and seasonal workers and self-employed *None for civil law contracts for a specified task, apprentices and trainees	<b>Full</b> * None for civil law contracts for a specified task and vocational trainees	<b>Full</b> *Partial or none for civil law contracts for a specified task	<b>Full</b> *None for civil law contracts for a specific task	<b>Full</b> *None for civil law contracts for a specified task, apprentices and trainees *Partial for part-time, self-employed and casual and seasonal workers	<b>Full</b> *Partial for part-time workers	<b>Full</b> *Partial for Apprentices and trainees, civil law contracts for a specified task, temporary agency and casual and seasonal workers	<b>Full</b> *None for civil law contracts for a specified task *Partial for civil law commission contracts	<b>Full</b> *Partial for civil law commission contracts *None for civil law contracts for a specified task	<b>Full</b>
<b>PT</b>	<b>Full</b>	<b>Full</b> * None for 'extremely short duration contracts' and some categories of Voluntary Insurance Scheme	<b>Full</b> * None for 'extremely short duration contracts' and some categories of Voluntary Insurance Scheme	<b>Full</b>	<b>Full</b> * None for 'extremely short duration contracts' and for all members of Voluntary Insurance Scheme	<b>Full</b> * None for 'extremely short duration contracts' and for all members of Voluntary Insurance Scheme	<b>Full</b>	<b>Full</b> * None for 'extremely short duration contracts' and some categories of Voluntary Insurance Scheme	<b>Full</b> * Partial for beneficiaries of the Voluntary Insurance Scheme	<b>Full</b> * None for 'extremely short duration contracts' and some categories of Voluntary Insurance Scheme	<b>Full</b>
<b>RO</b>	<b>Full</b> *Partial for casual and seasonal workers	<b>Full</b> *None for casual and seasonal workers *Partial for vocational trainees	<b>Full</b> *None for casual and seasonal workers	<b>Full</b> *Partial for casual and seasonal workers; vocational training	<b>Full</b> *Partial for casual and seasonal workers and vocational trainees	<b>Full</b> *None for casual and seasonal workers; vocational training	<b>Full</b>	<b>Full</b>	<b>Full</b> *Partial for casual and seasonal workers; vocational training	<b>Full</b> *None for vocational training *Partial for casual and seasonal workers	<b>Full</b>
<b>SE</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>SI</b>	<b>Full</b> *Partial for some temporary agency workers; <b>none</b> for civil law contracts	<b>Full</b> *Partial for some temporary agency workers; <b>none</b> for civil law contracts	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>



<b>SK</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>UK</b>	<b>Full</b>	<b>Full</b> *Partial for temporary agency workers and vocational trainees	<b>Full</b> *None for temporary agency workers and vocational trainees	<b>Full</b> *Partial for temporary agency workers and vocational trainees	<b>Full*</b> *Partial for temporary agency workers and vocational trainees	<b>Full</b> *Partial for some temporary agency workers and vocational trainees	<b>Full</b> *Partial for some temporary agency workers and vocational trainees	<b>Full</b>	<b>Full</b> *Partial for temporary agency workers and vocational trainees	<b>Full</b> *None for some temporary agency workers and vocational trainees	<b>Full</b>
<b>IS</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>CH</b>	<b>Full</b>	<b>None/Partial</b> *Limited cash benefits paid by employers, depending on length of tenure	<b>Full</b>	<b>Partial</b>	<b>Partial</b>	<b>Partial</b> *Full for part-time workers	<b>Full</b>	<b>Full</b>	<b>Partial</b>	<b>Full</b>	<b>Full</b>
<b>LI</b>	<b>Full</b> *None for below 8 hour contracts	<b>Full</b> *None for below 8 hour contracts	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>MK</b>	<b>Full</b> *None for on call and zero-hour workers, *Partial for fixed-term contracts	<b>Full</b> *None for on call and zero-hour workers; casual and seasonal workers, apprentices, paid trainees, and fixed term contracts	<b>Full</b> *None for on call and zero-hour workers; casual and seasonal workers, apprentices, paid trainees, and fixed term contracts	<b>Full</b> *Partial for casual and seasonal workers *None for on call and zero-hour workers; casual and seasonal workers, apprentices, paid trainees, and fixed term contracts	<b>Full</b> *Partial for casual and seasonal workers *None for fixed-term employee, on-call workers, zero-hour workers, apprentices and trainees	<b>Full</b> *None for on call and zero-hour workers; casual and seasonal workers, apprentices, paid trainees, and fixed term contracts	<b>Full</b> *None for on call and zero-hour workers;	<b>Full</b> *None for casual and seasonal workers, on call and zero-hour workers; apprentices, paid trainees, vocational training	<b>Full</b> *None for casual and seasonal workers, on call and zero-hour workers; apprentices, paid trainees, vocational training	<b>Full</b> *None for casual and seasonal workers, on call and zero-hour workers; apprentices, paid trainees, vocational training	<b>Full</b> *Partial for casual and seasonal workers *None for on call and zero-hour workers

<b>NO</b>	<b>Full</b>	<b>Full</b> *Partial for freelancers	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b> *None for freelancers	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b> *Partial for freelancer s	<b>Full</b>
<b>RS</b>	<b>Full</b>	<b>Full</b> *None for on call and casual and seasonal workers and unpaid family workers	<b>Full</b> *None for on call and casual and seasonal workers and unpaid family workers	<b>Full</b> *None for unpaid family workers	<b>Full</b> *None for unpaid family workers	<b>Full</b> *None for on call and casual and seasonal workers and unpaid family workers	<b>Full</b>	<b>Full</b>	<b>Full</b> *None for unpaid family workers	<b>Full</b> *None for unpaid family workers	<b>Full</b>
<b>TR</b>	<b>Full</b>	<b>Full</b> *None for paid trainees	<b>Full</b> *None for apprentices, paid trainees	<b>Full</b> *None for apprentice s, paid trainees	<b>Full</b> *None for apprentices and paid trainees	<b>Full</b> *None for apprentices, paid trainees	<b>None</b>	<b>Full</b>	<b>Full</b> *None for apprentices , paid trainees	<b>Full</b>	<b>Full</b>

**B) Summary table**

Country	Healthcare	Family benefits	Long-term care	Social assistance	Survivors' pensions	Old-age	Invalidity	Maternity/paternity cash benefits and benefits in kind	Sickness benefits	Accidents at work and occupational injuries benefits	Unemployment benefits
AT	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
BE	Full	Full	Full	Full	Full*	Full	Full	Full	Full	Full	Full
BG	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
CY	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
CZ	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
LU	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
LT	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
LV	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
MT	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
NL	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
PL	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
PT	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
RO	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
SE	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
SI	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
SK	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
UK	Full	Full	Full	Full	Full*	Full	Full	Full	Full	Full	Full
EE	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
ES	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
HR	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
HU	Full	Full	Full	Full	Full	Full	Full	Full		Full	Full
IE	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
IS	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
LI	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
MK	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
NO	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
RS	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
DE	Full	Full	Full	Full	Full/Partial	Full	Full	Full	Full	Full	Full
EL	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Partial
FI	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Partial
DK	Full	Full	Full	Full	N/A	Full	Full	Full	Full	Partial	Partial
IT	Full	Partial	Partial	Partial	Full	Full	Full	Full	Partial	Full	Partial
FR	Full	Full	Full	Full	Full	Full	Full/Partial	Full/Partial	Full/Partial	Full	Partial
CH	Full	Full	Full	Full	Partial	Partial	Partial	Full	None/Partial	Full	Partial
TR	Full	Full	Full	Full	Full	Full	None	Full	Full	Full	Full

## ANNEX 2: STATUTORY ACCESS TO SOCIAL PROTECTION: SELF-EMPLOYED (DETAIL AND SUMMARY)

These tables cover **statutory access** to social protection.

'**Full**' means that the persons have access to the scheme through compulsory insurance, universal benefits or means-tested benefits available regardless of their employment status.

'**Partial**' means that the persons have only partial access to the benefits because of a) statutory differentiation in the eligibility conditions and the period of receipt of benefits compared to salaried employment; and b) if insurance-based and non-contributory benefits co-exist, individuals can access only the latter.

'**None**' means that the persons have no access to the scheme.

'**Voluntary opt-in**' means that the persons are not compulsorily insured under a scheme but they can voluntarily join it.

The reader should examine the ESPN experts' reports for more information

### A) Detailed table

Country	Healthcare	Sickness benefits	Maternity/ paternity benefits in kind	Old-age	Survivors' pensions	Unemployment benefits	Social assistance	Long-term care	Invalidity	Accidents at work and occupational injuries benefits	Family benefits
AT	Full	Full	Full	Full	Full	Voluntary opt-in	Full	Full	Full	Full	Full
BE	Full	Full	Full	Full	Full	None	Full	Full	Full	None	Full
BG	Full	Voluntary opt-in	Full	Full	Full	None	Full	Full	Full	None	Full
CY	Full	Full	Full	Full	Full	None	Full	Full	Full	None	Full
CZ	Full	Voluntary opt-in	Voluntary opt-in State insurance conditioned upon sickness insurance	Full	Full	Full	Full	Full	Full	Full	Full
DE	Full Compulsorily insured in Private Health insurance	Partial	Partial	Partial	Partial	None	Full	Full	Partial	Voluntary opt-in	Full
DK	Full	Full	Full	Full	N/A No state survivors	Partial	Full	Full	Full	Voluntary opt-in	Full

					benefit scheme						
<b>EE</b>	<b>Full</b>	<b>Full</b>	<b>Partial</b>	<b>Full</b>	<b>Full</b>	<b>Partial</b>	<b>Partial</b>	<b>Full</b>	<b>Full</b>	<b>Partial</b>	<b>Full</b>
<b>EL</b>	<b>Full</b> *None for persons providing services paid by receipt of business expenditure	<b>None</b> *Partial for liberal professions	<b>Partial</b> *None for persons providing services paid by receipt of business expenditure	<b>Full</b> *None for persons providing services paid by receipt of business expenditure	<b>Full</b> *None for persons providing services paid by receipt of business expenditure	<b>Partial</b> *None for farmers and persons providing services paid by receipt of business expenditure	<b>Full</b>	<b>Full</b> *None for persons providing services paid by receipt of business expenditure	<b>Full</b> *None for persons providing services paid by receipt of business expenditure	<b>Partial</b> * None for liberal professions, farmers and persons providing services paid by receipt of business expenditure	<b>Full</b>
<b>ES</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Partial</b> * Partial retirement and early compulsory retirement (due to dismissals or crisis) are not possible	<b>Full</b>	<b>Voluntary opt-in</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Voluntary opt-in</b> *Full for dependant self-employed (the TRADE and mobile traders)	<b>Full</b>
<b>FI</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Partial</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>FR</b>	<b>Full</b>	<b>Partial</b> *None for liberal professions and farmers	<b>Partial</b>	<b>Full</b>	<b>Full</b>	<b>None</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>None</b> *Full for farmers	<b>Full</b>
<b>HR</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Partial</b>	<b>Full</b>	<b>Full</b>
<b>HU</b>	<b>Full</b> *Partial for some agricultural workers	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>IE</b>	<b>Partial</b>	<b>Partial</b> (only means-tested benefits)	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Partial</b> (only means-tested benefits)	<b>Full</b>	<b>Full</b>	<b>None</b>	<b>None</b>	<b>Full</b>

<b>IT</b>	<b>Full</b>	<b>None</b> *Partial for SE w single client or contractual relationship; for liberal professions	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>None</b> *Partial for SE w single client or contractual relationship; for liberal professions	<b>Full</b>	<b>Partial</b>	<b>Partial</b>	<b>Full</b>	<b>Partial</b> *None for liberal professions
<b>LU</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>LT</b>	<b>Full</b>	<b>Full</b> *None for Persons engaged in individual activities under a business certificate	<b>Full*</b> *None for Persons engaged in individual activities under a business certificate	<b>Full</b>	<b>Full</b>	<b>None</b> *Full for Owners of individual enterprises, Members of small partnerships, Partners of general partnerships	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>None</b>	<b>Full</b>
<b>LV</b>	<b>Full</b>	<b>Full</b> * None for patent fee payer	<b>Full</b> * None for patent fee payer	<b>Full</b>	<b>Full</b>	<b>None</b> *Full for Micro-enterprise	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>None</b> *Full for Micro-enterprise employees	<b>Full</b> * Partial for patent fee payer
<b>MT</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>None</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>NL</b>	<b>Full</b>	<b>Voluntary opt-in</b>	<b>Partial</b>	<b>Partial</b> (basic pension plus only voluntary private insurance)	<b>Full</b>	<b>None</b>	<b>Full</b>	<b>Full</b>	<b>Voluntary opt-in</b>	<b>Voluntary opt-in</b>	<b>Full</b>
<b>PL</b>	<b>Full</b>	<b>Voluntary opt-in</b>	<b>Voluntary opt-in</b>	<b>Full</b>	<b>Full</b>	<b>Partial</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>PT</b>	<b>Full</b>	<b>Partial</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b> *None on for SE her/his own account	<b>Full</b>	<b>Partial</b>	<b>Full</b>	<b>Voluntary opt-in</b>	<b>Partial</b>

<b>RO</b>	<b>Full</b> *Partial for contributing family members	<b>Voluntary opt-in</b> *Full only for SE with employees and for dependent on a single client *None for contributing family members	<b>Partial</b> *Full only for SE with employees and for dependent on a single client *None for contributing family members	<b>Partial</b> *Full only for SE with employees and for dependent on a single client	<b>Partial</b> *Full for self-employed workers with employee or dependent on a single client	<b>Voluntary opt-in</b> *Full only for SE with employees and for dependent on a single client	<b>Full</b>	<b>Full</b>	<b>Partial</b> *Full only for SE with employees and for dependent on a single client	<b>Voluntary opt-in</b> *Full only for SE with employees and for dependent on a single client *None for contributing family members	<b>Full</b>
<b>SE</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Partial</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>SI</b>	<b>Full</b>	<b>Partial</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>SK</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>None</b>	<b>Full</b>
<b>UK</b>	<b>Full</b>	<b>Partial</b>	<b>Partial</b>	<b>Partial</b>	<b>Partial</b>	<b>Partial</b>	<b>Full/Partial</b>	<b>Full</b>	<b>Partial</b>	<b>None</b>	<b>Full</b>
<b>IS</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>CH</b>	<b>Full</b>	<b>None</b>	<b>Full</b>	<b>Partial</b>	<b>Partial</b>	<b>None</b>	<b>Partial</b>	<b>Full</b>	<b>Partial</b>	<b>None</b>	<b>Full</b>
<b>LI</b>	<b>Full</b>	<b>Full</b>	<b>Voluntary opt-in</b>	<b>Full</b>	<b>Full</b>	<b>None</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>None</b>	<b>Full</b>
<b>MK</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>None</b> *Full for Liberal professions	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>NO</b>	<b>Full</b>	<b>Partial</b> *Full for a SE registered as a limited responsibility company and hired him/herself as employee	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>None</b> *Full for a SE registered as a limited responsibility company and hired him/herself as employee	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>None</b> (only voluntary private insurance) *Full for a SE registered as a limited responsibility company and hired him/herself as employee	<b>Full</b>

<b>RS</b>	<b>Full</b>	<b>Full</b> *None for dependent on single client and dependent on contractual relationship with client	<b>Full</b> *None for dependent on single client and dependent on contractual relationship with client	<b>Full</b>	<b>Full</b>	<b>Full</b> *None for dependent on single client and dependent on contractual relationship with client	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>TR</b>	<b>Full</b>	<b>Partial</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>None</b>	<b>None</b>	<b>Partial</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>



**B) Summary table**

Country	Healthcare	Family benefits	Long-term care	Social assistance	Survivors' pensions	Old-age	Invalidity	Maternity/paternity cash benefits and benefits in kind	Sickness benefits	Accidents at work and occupational injuries benefits	Unemployment benefits
HU	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
LU	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
IS	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
RS	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full
HR	Full	Full	Full	Full	Full	Full	Partial	Full	Full	Full	Full
SI	Full	Full	Full	Full	Full	Full	Full	Full	Partial	Full	Full
FI	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Partial
SE	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Partial
EE	Full	Full	Full	Partial	Full	Full	Full	Partial	Full	Partial	Partial
AT	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	Voluntary opt-in
DK	Full	Full	Full	Full	N/A	Full	Full	Full	Full	Voluntary opt-in	Partial
PT	Full	Partial	Partial	Full	Full	Full	Full	Full	Partial	Voluntary opt-in	Full
CZ	Full	Full	Full	Full	Full	Full	Full	Voluntary opt-in	Voluntary opt-in	Full	Full
PL	Full	Full	Full	Full	Full	Full	Full	Voluntary opt-in	Voluntary opt-in	Full	Partial
ES	Full	Full	Full	Full	Full	Partial	Full	Full	Full	Voluntary opt-in	Voluntary opt-in
RO	Full	Full	Full	Full	Partial	Partial	Partial	Partial	Voluntary opt-in	Voluntary opt-in	Voluntary opt-in
MK	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	None
MT	Full	Full	Full	Full	Full	Full	Full	Full	Full	Full	None
SK	Full	Full	Full	Full	Full	Full	Full	Full	Full	None	Full
EL	Full	Full	Full	Full	Full	Full	Full	Partial	None	Partial	Partial
UK	Full	Full	Full	Full/Partial	Partial	Partial	Partial	Partial	Partial	None	Partial

DE	Full	Full	Full	Full	Partial	Partial	Partial	Partial	Partial	Voluntary opt-in	None
NL	Full	Full	Full	Full	Full	Partial	Voluntary opt-in	Partial	Voluntary opt-in	Voluntary opt-in	None
BE	Full	Full	Full	Full	Full	Full	Full	Full	Full	None	None
CY	Full	Full	Full	Full	Full	Full	Full	Full	Full	None	None
LT	Full	Full	Full	Full	Full	Full	Full	Full	Full	None	None
LV	Full	Full	Full	Full	Full	Full	Full	Full	Full	None	None
NO	Full	Full	Full	Full	Full	Full	Full	Full	Partial	None	None
FR	Full	Full	Full	Full	Full	Full	Full	Partial	Partial	None	None
TR	Full	Full	Partial	None	Full	Full	Full	Full	Partial	Full	None
IE	Full	Full	Full	Full	Full	Full	None	Full	Partial	None	Partial
IT	Full	Partial	Partial	Full	Full	Full	Partial	Full	None	Full	None
BG	Full	Full	Full	Full	Full	Full	Full	Full	Voluntary opt-in	None	None
LI	Full	Full	Full	Full	Full	Full	Full	Voluntary opt-in	Full	None	None
CH	Full	Full	Full	Partial	Partial	Partial	Partial	Full	None	None	None

## ANNEX 3: PRESENTATION OF THE EUROPEAN SOCIAL POLICY NETWORK (ESPN)

### A. ESPN NETWORK MANAGEMENT TEAM AND NETWORK CORE TEAM

The European Social Policy Network (ESPN) is managed jointly by the Luxembourg Institute of Socio-Economic Research (LISER) and the independent research company APPLICA, in close association with the European Social Observatory.

The ESPN Network Management Team is responsible for the overall supervision and coordination of the ESPN. It consists of five members:

#### NETWORK MANAGEMENT TEAM

**Eric Marlier** (LISER, LU)

Project Director

Email: [eric.marlier@skynet.be](mailto:eric.marlier@skynet.be)

**Hugh Frazer** (National University of Ireland Maynooth, IE)

Independent Experts' Coordinator and Social Inclusion Leader

Email: [hughfrazer@eircom.net](mailto:hughfrazer@eircom.net)

**Loredana Sementini** (Applica, BE)

Communication/events and IT Coordinator

Email: [LS@applica.be](mailto:LS@applica.be)

**Bart Vanhercke** (European Social Observatory, BE)

Overall Social Protection Leader

Email: [vanhercke@ose.be](mailto:vanhercke@ose.be)

**Terry Ward** (Applica, BE)

MISSOC Leader

Email: [TW@applica.be](mailto:TW@applica.be)

The ESPN Network Core Team provides high level expertise and inputs on specific aspects of the ESPN's work. It consists of 14 experts:

#### NETWORK CORE TEAM

**The five members of the Network Management Team and**

**Rita Baeten** (*European Social Observatory, BE*), Healthcare and Long-term care Leader

**Marcel Fink** (*Institute for Advanced Studies, Austria*), MISSOC Users' Perspective

**Andy Fuller** (*Alphametrix*), IT Leader

**Anne-Catherine Guio** (*LISER, LU*), Quantitative Analysis Leader, Knowledge Bank Coordinator and Reference budget

**Saskia Klosse** (*University of Maastricht, NL*), MISSOC and International Social Security Legal Expert

**David Natali** (*University of Bologna [IT] and European Social Observatory [BE]*), Pensions Leader

**Monika Natter** (*ÖSB, AT*), Peer Review Perspective

**Stefán Ólafsson** (*University of Iceland, IS*), MISSOC Users' Perspective

**Frank Vandenbroucke** (*University of Leuven [KU Leuven]*), Decision-making Perspective

## B. ESPN NATIONAL INDEPENDENT EXPERTS FOR SOCIAL PROTECTION AND SOCIAL INCLUSION

### AUSTRIA

**Marcel Fink** (*Institute for Advanced Studies*)

Expert in Social inclusion, Long-term care and Pensions

Email: [fink@ihs.ac.at](mailto:fink@ihs.ac.at)

**Monika Riedel** (*Institute for Advanced Studies*)

Expert in Healthcare and Long-term care

Email: [riedel@ihs.ac.at](mailto:riedel@ihs.ac.at)

National coordination: Marcel Fink

### BELGIUM

**Ides(bald) Nicaise** (*Research Institute for Work and Society – HIVA, KULeuven*)

Expert in Social inclusion

Email: [Ides.nicaise@kuleuven.be](mailto:Ides.nicaise@kuleuven.be)

**Jozef Pacolet** (*Research Institute for Work and Society – HIVA, KULeuven*)

Expert in Healthcare, Long-term care and Pensions

Email: [jozef.pacolet@kuleuven.be](mailto:jozef.pacolet@kuleuven.be)

National coordination: Ides Nicaise

### BULGARIA

**George Bogdanov** (*Hotline ltd*)

Expert in Social inclusion

Email: [george@hotline-bg.com](mailto:george@hotline-bg.com)

**Lidia Georgieva** (*Medical University Sofia*)

Expert in Healthcare and Long-term care

Email: [lidia1001@gmail.com](mailto:lidia1001@gmail.com)

**Boyan Zahariev** (*Open Society Foundation*)

Expert in Social inclusion and Pensions

Email: [bzahariev@osi.bg](mailto:bzahariev@osi.bg)

National coordination: George Bogdanov

### CROATIA

**Paul Stubbs** (*The Institute of Economics*)

Expert in Social inclusion

Email: [pstubbs@eizg.hr](mailto:pstubbs@eizg.hr)

**Ivana Vukorepa** (*University of Zagreb*)

Expert in Pensions

Email: [ivana.vukorepa@pravo.hr](mailto:ivana.vukorepa@pravo.hr)

**Siniša Zrinščak** (*University of Zagreb*)

Expert in Healthcare and Long-term care

Email: [sinisa.zrinscak@pravo.hr](mailto:sinisa.zrinscak@pravo.hr)

National coordination: Paul Stubbs

## CYPRUS

**Christos Koutsampelas** (*University of Cyprus*)

Expert in Social inclusion

Email: [koutsampelas.christos@ucy.ac.cy](mailto:koutsampelas.christos@ucy.ac.cy)

**Panos Pashardes** (*University of Cyprus*)

Expert in Social inclusion and Pensions

Email: [p.pashardes@ucy.ac.cy](mailto:p.pashardes@ucy.ac.cy)

**Mamas Theodorou** (*Open University of Cyprus*)

Expert in Healthcare and Long-term care

Email: [m.theodorou@ouc.ac.cy](mailto:m.theodorou@ouc.ac.cy)

National coordination: Panos Pashardes

## CZECH REPUBLIC

**Robert Jahoda** (*Masaryk University*)

Expert in Pensions

Email: [jahoda@econ.muni.cz](mailto:jahoda@econ.muni.cz)

**Ivan Malý** (*Masaryk University*)

Expert in Healthcare and Long-term care

Email: [ivan@econ.muni.cz](mailto:ivan@econ.muni.cz)

**Tomáš Sirovátka** (*Masaryk University*)

Expert in Social inclusion and Long-term care

Email: [sirovatk@fss.muni.cz](mailto:sirovatk@fss.muni.cz)

National coordination: Tomáš Sirovátka

## DENMARK

**Jon Kvist** (*Roskilde University*)

Expert in Social inclusion, Long-term care and Pensions

Email: [jkvist@ruc.dk](mailto:jkvist@ruc.dk)

**Kjeld Møller Pedersen** (*University of Southern Denmark*)

Expert in Healthcare

Email: [kmp@sam.sdu.dk](mailto:kmp@sam.sdu.dk)

National coordination: Jon Kvist

## ESTONIA

**Helen Biin** (*Praxis*)

Expert in Social inclusion

Email: [helen.biin@praxis.ee](mailto:helen.biin@praxis.ee)

**Märt Masso** (*Praxis*)

Expert in Social inclusion

Email: [mart.mass@praxis.ee](mailto:mart.mass@praxis.ee)

**Gerli Paat-Ahi** (*Praxis*)

Expert in Healthcare and Long-term care

Email: [gerli.paat-ahi@praxis.ee](mailto:gerli.paat-ahi@praxis.ee)

**Magnus Piirits** (*Praxis*)

Expert in Pensions

Email: [magnus.piirits@praxis.ee](mailto:magnus.piirits@praxis.ee)

National coordination: Märt Masso

## FINLAND

**Laura Kalliomaa-Puha** (*Social Insurance Institution of Finland – Kela*)

Expert in Healthcare and Long-term care

Email: [laura.kalliomaa-puha@kela.fi](mailto:laura.kalliomaa-puha@kela.fi)

**Olli Kangas** (*Social Insurance Institution of Finland – Kela*)

Expert in Social inclusion, Healthcare and Pensions

Email: [olli.kangas@kela.fi](mailto:olli.kangas@kela.fi)

National coordination: Olli Kangas

## FRANCE

**Gaby Bonnand** (*EHESP French School of Public Health*)

Expert in Pensions and Employment

Email: [Gaby.Bonnand@ehesp.fr](mailto:Gaby.Bonnand@ehesp.fr)

**Gilles Huteau** (*EHESP French School of Public Health*)

Expert in Healthcare

Email: [Gilles.Huteau@ehesp.fr](mailto:Gilles.Huteau@ehesp.fr)

**Blanche Le Bihan** (*EHESP French School of Public Health*)

Expert in Long-term care

Email: [Blanche.Lebihan@ehesp.fr](mailto:Blanche.Lebihan@ehesp.fr)

**Michel Legros** (*EHESP French School of Public Health & National Observatory on Poverty and Social Exclusion*)

Expert in Social inclusion and Healthcare

Email: [Legrosmi@wanadoo.fr](mailto:Legrosmi@wanadoo.fr)

**Claude Martin** (*EHESP French School of Public Health*)

Expert in Social policy

Email: [Claude.Martin@ehesp.fr](mailto:Claude.Martin@ehesp.fr)

National coordination: Claude Martin

## GERMANY

**Gerhard Bäcker** (*University of Duisburg/Essen*)

Expert in Healthcare, Long-term care and Pensions

Email: [gerhard.baecker@uni-due.de](mailto:gerhard.baecker@uni-due.de)

**Walter Hanesch** (*Hochschule Darmstadt – University of Applied Sciences*)

Expert in Social inclusion

Email: [walter.hanesch@h-da.de](mailto:walter.hanesch@h-da.de)

National coordination: Walter Hanesch

## GREECE

**Yiannis Sakellis** (*Panteion University of Political and Social Sciences*)

Expert in Healthcare and Long-term care

Email: [ioannisakellis@gmail.com](mailto:ioannisakellis@gmail.com)

**Menelaos Theodoroulakis** (*Research Institute of Urban Environment and Human Recourses*)

Expert in Pensions and mental health care

Email: [mtheodor@pepsaee.gr](mailto:mtheodor@pepsaee.gr)

**Dimitris Ziomas** (*Greek National Centre for Social Research – EKKE*)

Expert in Social inclusion and Long-term care

Email: [dziomas@ekke.gr](mailto:dziomas@ekke.gr)

National coordination: Dimitris Ziomas

## HUNGARY

**Fruzsina Albert** (*Hungarian Academy of Sciences Center for Social Sciences and Károli Gáspár University of the Reformed Church*)

Expert in Social inclusion and Healthcare

Email: [albert.fruzsina@gmail.com](mailto:albert.fruzsina@gmail.com)

**Róbert Iván Gál** (*Demographic Research Institute, Central Statistical Office and TÁRKI Social Research Institute*)

Expert in Pensions and Long-term care

Email: [gal@tarki.hu](mailto:gal@tarki.hu)

National coordination: Fruzsina Albert

## ICELAND

**Tinna Ásgeirsdóttir** (*University of Iceland*)

Expert in Healthcare and Long-term care

Email: [ta@hi.is](mailto:ta@hi.is)

**Stefán Ólafsson** (*University of Iceland*)

Expert in Social inclusion, Healthcare, Long-term care and Pensions

Email: [olafsson@hi.is](mailto:olafsson@hi.is)

**Kolbeinn H. Stefánsson** (*University of Iceland and Statistics Iceland*)

Expert in Social inclusion

Email: [kolbeinn@hi.is](mailto:kolbeinn@hi.is)

National coordination: Stefán Ólafsson

## IRELAND

**Sara Burke** (*Centre for Health Policy and Management, Trinity College Dublin*)

Expert in Healthcare and Long-term care

Email: [sarabur@gmail.com](mailto:sarabur@gmail.com)

**Mary Daly** (*University of Oxford*)

Expert in Social inclusion

Email: [mary.daly@spi.ox.ac.uk](mailto:mary.daly@spi.ox.ac.uk)

**Gerard Hughes** (*School of Business, Trinity College Dublin*)

Expert in Pensions

Email: [gehughes@tcd.ie](mailto:gehughes@tcd.ie)

National coordination: Mary Daly

## ITALY

**Matteo Jessoula** (*University of Milano*)

Expert in Pensions

Email: [matteo.jessoula@unimi.it](mailto:matteo.jessoula@unimi.it)

**Emmanuele Pavolini** (*Macerata University*)

Expert in Healthcare and Long-term care

Email: [emmanuele.pavolini@unimc.it](mailto:emmanuele.pavolini@unimc.it)

**Filippo Strati** (*Studio Ricerche Sociali - SRS*)

Expert in Social inclusion

Email: [srs@srseuropa.eu](mailto:srs@srseuropa.eu)

National coordination: Filippo Strati

## **LATVIA**

**Tana Lace** (*Riga Stradins University*)

Expert in Social inclusion and Healthcare

Email: [tanalace@inbox.lv](mailto:tanalace@inbox.lv)

**Feliciana Rajevska** (*Vidzeme University of Applied Sciences*)

Expert in Long-term care and Pensions

Email: [rajevska@latnet.lv](mailto:rajevska@latnet.lv)

National coordination: Feliciana Rajevska

## **LIECHTENSTEIN**

**Patricia Hornich** (*Liechtenstein-Institut*)

Expert in Social inclusion, Healthcare, Long-term care and Pensions

Email: [patricia.hornich@liechtenstein-institut.li](mailto:patricia.hornich@liechtenstein-institut.li)

**Wilfried Marxer** (*Liechtenstein-Institut*)

Expert in Social inclusion, Healthcare, Long-term care and Pensions

Email: [wilfried.marxer@liechtenstein-institut.li](mailto:wilfried.marxer@liechtenstein-institut.li)

National coordination: Wilfried Marxer

## **LITHUANIA**

**Romas Lazutka** (*Vilnius University*)

Expert in Pensions and Social inclusion

Email: [romas.lazutka@fsf.vu.lt](mailto:romas.lazutka@fsf.vu.lt)

**Arūnas Poviliūnas** (*Vilnius University*)

Expert in Social inclusion and Healthcare

Email: [arunas.poviliunas@fsf.vu.lt](mailto:arunas.poviliunas@fsf.vu.lt)

**Laimute Zalimiene** (*Vilnius University*)

Expert in Healthcare and Long-term care

Email: [laima.zalimiene@fsf.vu.lt](mailto:laima.zalimiene@fsf.vu.lt)

National coordination: Arunas Poviliunas

## **LUXEMBOURG**

**Jozef Pacolet** (*Research Institute for Work and Society, KULeuven*)

Expert in Healthcare, Long-term care and Pensions

Email: [jozef.pacolet@kuleuven.be](mailto:jozef.pacolet@kuleuven.be)

**Hugo Swinnen** (*Independent social policy researcher*)

Expert in Social inclusion

Email: [hswinnen@home.nl](mailto:hswinnen@home.nl)

National coordination: Hugo Swinnen



## **FYR of MACEDONIA**

**Dragan Gjorgjev** (*Institute of Public Health and Public Health Department at the Medical Faculty*)

Expert in Healthcare and Long-term care

Email: [dgjorgjev@gmail.com](mailto:dgjorgjev@gmail.com)

**Maja Gerovska Mitev** (*Institute of Social Work and Social Policy, Faculty of Philosophy, Ss. Cyril and Methodius University*)

Expert in Social inclusion and Pensions

Email: [gerovska@fzf.ukim.edu.mk](mailto:gerovska@fzf.ukim.edu.mk)

National coordination: Maja Gerovska Mitev

## **MALTA**

**Anna Borg** (*University of Malta*)

Expert in Social inclusion and Pensions

Email: [anna.borg@um.edu.mt](mailto:anna.borg@um.edu.mt)

**Mario Vassallo** (*University of Malta*)

Expert in Social inclusion, Healthcare and Long-term care

Email: [mario.vassallo@um.edu.mt](mailto:mario.vassallo@um.edu.mt)

National coordination: Mario Vassallo

## **NETHERLANDS**

**Karen M. Anderson** (*University of Southampton*)

Expert in Pensions and Long-term care

Email: [K.M.Anderson@soton.ac.uk](mailto:K.M.Anderson@soton.ac.uk)

**Katrien de Vaan** (*Regioplan Policy Research*)

Expert in Healthcare and support

Email: [Katrien.de.vaan@regioplan.nl](mailto:Katrien.de.vaan@regioplan.nl)

**Bob van Waveren** (*Regioplan Policy Research*)

Expert in Social inclusion

Email: [Bob.van.Waveren@regioplan.nl](mailto:Bob.van.Waveren@regioplan.nl)

National coordination: Bob van Waveren

## **NORWAY**

**Axel West Pedersen** (*Institute for Social Research*)

Expert in Social inclusion and Pensions

Email: [awp@samfunnsforskning.no](mailto:awp@samfunnsforskning.no)

**Anne Skevik Grødem** (*Institute for Social Research*)

Expert in Social inclusion

Email: [a.s.grodem@samfunnsforskning.no](mailto:a.s.grodem@samfunnsforskning.no)

**Marijke Veenstra** (*Norwegian Social Research - NOVA*)

Expert in Healthcare and Long-term care

Email: [mve@nova.no](mailto:mve@nova.no)

National coordination: Axel West Pedersen

## POLAND

**Agnieszka Chłoń-Domińczak** (*Warsaw School of Economics – SGH and Educational Research Institute*)

Expert in Pensions and Social inclusion

Email: [Agnieszka.Chlon@gmail.com](mailto:Agnieszka.Chlon@gmail.com)

**Agnieszka Sowa** (*Institute of Labour and Social Affairs and Centre for Social and Economic Research, CASE Foundation*)

Expert in Healthcare and Long-term care

Email: [Agnieszka.Sowa@case.com.pl](mailto:Agnieszka.Sowa@case.com.pl)

**Irena Topińska** (*Centre for Social and Economic Research, CASE Foundation*)

Expert in Social inclusion and Pensions

Email: [irena.topinska@case.com.pl](mailto:irena.topinska@case.com.pl)

National coordination: Irena Topińska

## PORTUGAL

**Isabel Baptista** (*Centro de Estudos para a Intervenção Social - CESIS*)

Expert in Social inclusion

Email: [Isabel.baptista@cesis.org](mailto:Isabel.baptista@cesis.org)

**Pedro Perista** (*Centro de Estudos para a Intervenção Social - CESIS*)

Expert in Social inclusion

Email: [pedro.perista@cesis.org](mailto:pedro.perista@cesis.org)

**Céu Mateus** (*Division of Health Research, Lancaster University, Furness College*)

Expert in Healthcare

Email: [ceum@ensp.unl.pt](mailto:ceum@ensp.unl.pt)

**Heloísa Perista** (*Centro de Estudos para a Inclusão Social - CESIS*)

Expert in Social inclusion and Pensions

Email: [heloisa.perista@cesis.org](mailto:heloisa.perista@cesis.org)

**Maria de Lourdes Quaresma** (*Centro de Estudos para a Intervenção Social - CESIS*)

Expert in Long-term care and Pensions

Email: [mlurdes.quaresma@gmail.com](mailto:mlurdes.quaresma@gmail.com)

National coordination: Isabel Baptista

## ROMANIA

**Dana Otilia Farcasanu** (*Foundation Centre for Health Policies and Services*)

Expert in Healthcare (insurance and policies)

Email: [dfarcasanu@cpss.ro](mailto:dfarcasanu@cpss.ro)

**Luana Pop** (*Faculty of Sociology and Social Work, University of Bucharest*)

Expert in Social inclusion

Email: [Luana.pop@gmail.com](mailto:Luana.pop@gmail.com)

**Daniela Urse (Pescaru)** (*Faculty of Sociology and Social Work, University of Bucharest*)

Expert in Pensions

Email: [daniela\\_pescaru@yahoo.com](mailto:daniela_pescaru@yahoo.com)

**Valentin Vladu** (*Community Care Foundation*)

Expert in Long-term care

Email: [valentin\\_vladu@yahoo.com](mailto:valentin_vladu@yahoo.com)

National coordination: Luana Pop

## SERBIA

**Jurij Bajec** (*Faculty of Economics*)

Expert in Social inclusion and Pensions

Email: [jbajec@ekof.bg.ec.ra](mailto:jbajec@ekof.bg.ec.ra)

**Ljiljana Stokic Pejin** (*Economics Institute Belgrade*)

Expert in Social inclusion, Healthcare and Long-term care

Email: [ljiljana.pejin@ecinst.org.rs](mailto:ljiljana.pejin@ecinst.org.rs)

National coordination: Ljiljana Stokic Pejin

## SLOVAKIA

**Rastislav Bednárík** (*Institute for Labour and Family Research*)

Expert in Pensions and Long-term care

Email: [Rastislav.Bednarik@ivpr.gov.sk](mailto:Rastislav.Bednarik@ivpr.gov.sk)

**Andrea Madarasová Gecková** (*P.J. Safarik University in Kosice*)

Expert in Healthcare and Long-term care

Email: [andrea.geckova@upjs.sk](mailto:andrea.geckova@upjs.sk)

**Daniel Gerbery** (*Comenius University*)

Expert in Social inclusion

Email: [daniel.gerbery@gmail.com](mailto:daniel.gerbery@gmail.com)

National coordination: Daniel Gerbery

## SLOVENIA

**Boris Majcen** (*Institute for Economic Research*)

Expert in Pensions

Email: [majcenb@ier.si](mailto:majcenb@ier.si)

**Valentina Prevolnik Rupel** (*Institute for Economic Research*)

Expert in Healthcare and Long-term care

Email: [rupelv@ier.si](mailto:rupelv@ier.si)

**Nada Stropnik** (*Institute for Economic Research*)

Expert in Social inclusion

Email: [stropnikn@ier.si](mailto:stropnikn@ier.si)

National coordination: Nada Stropnik

## SPAIN

**Ana Arriba Gonzáles de Durana** (*University of Alcalá*)

Expert in Social inclusion

Email: [ana.arriba@uah.es](mailto:ana.arriba@uah.es)

**Francisco Javier Moreno Fuentes** (*IPP-CSIC*)

Expert in Healthcare

Email: [javier.moreno@cchs.csic.es](mailto:javier.moreno@cchs.csic.es)

**Vicente Marbán Gallego** (*University of Alcalá*)

Expert in Long-term care

Email: [vicente.marban@uah.es](mailto:vicente.marban@uah.es)

**Julia Montserrat Codorniu** (*Centre of Social Policy Studies*)

Expert in Long-term care and Pensions

Email: [jmontserratc@gmail.com](mailto:jmontserratc@gmail.com)

**Gregorio Rodríguez Cabrero** (*University of Alcalá*)

Expert in Social inclusion, Long-term care and Pensions

Email: [gregorio.rodriquez@uah.es](mailto:gregorio.rodriquez@uah.es)

National coordination: Gregorio Rodríguez Cabrero

## SWEDEN

**Johan Fritzell** (*Stockholm University and Karolinska Institutet*)

Expert in Social inclusion and Healthcare

Email: [johan.fritzell@ki.se](mailto:johan.fritzell@ki.se)

**Kenneth Nelson** (*Stockholm University*)

Expert in Social inclusion

Email: [kennethn@sofi.su.se](mailto:kennethn@sofi.su.se)

**Joakim Palme** (*Uppsala University*)

Expert in Pensions

Email: [Joakim.Palme@statsvet.uu.se](mailto:Joakim.Palme@statsvet.uu.se)

**Pär Schön** (*Stockholm University and Karolinska Institutet*)

Expert in Long-term care

Email: [par.schon@ki.se](mailto:par.schon@ki.se)

National coordination: Johan Fritzell

## SWITZERLAND

**Giuliano Bonoli** (*Institut de Hautes Etudes en Administration Publique - IDHEAP*)

Expert in Social inclusion and Pensions

Email: [giuliano.bonoli@unil.ch](mailto:giuliano.bonoli@unil.ch)

**Philipp Trein** (*University of Lausanne*)

Expert in Healthcare and Long-term care

Email: [josephphilipp.trein@unil.ch](mailto:josephphilipp.trein@unil.ch)

National coordination: Giuliano Bonoli

## **TURKEY**

**Fikret Adaman** (*Bogazici University*)

Expert in Social inclusion and Healthcare

Email: [adaman@boun.edu.tr](mailto:adaman@boun.edu.tr)

**Dilek Aslan** (*Hacettepe University*)

Expert in Long-term care

Email: [diaslan@hacettepe.edu.tr](mailto:diaslan@hacettepe.edu.tr)

**Bekir Burcay Erus** (*Bogazici University*)

Expert in Social inclusion and Healthcare

Email: [burcay.erus@boun.edu.tr](mailto:burcay.erus@boun.edu.tr)

**Serdar Sayan** (*TOBB Economics and Technology University*)

Expert in Pensions

Email: [serdar.sayan@etu.edu.tr](mailto:serdar.sayan@etu.edu.tr)

National coordination: Fikret Adaman

## **UNITED KINGDOM**

**Fran Bennett** (*University of Oxford*)

Expert in Social inclusion

Email: [fran.bennett@dsl.pipex.com](mailto:fran.bennett@dsl.pipex.com); [fran.bennett@spi.ox.ac.uk](mailto:fran.bennett@spi.ox.ac.uk)

**Jonathan Bradshaw** (*University of York*)

Expert in Social inclusion and Pensions

Email: [Jonathan.bradshaw@york.ac.uk](mailto:Jonathan.bradshaw@york.ac.uk)

**Caroline Glendinning** (*University of York*)

Expert in Long-term care

Email: [caroline.glendinning@york.ac.uk](mailto:caroline.glendinning@york.ac.uk)

**Alan Maynard** (*University of York*)

Expert in Healthcare

Email: [Alan.maynard@york.ac.uk](mailto:Alan.maynard@york.ac.uk)

National coordination: Jonathan Bradshaw

## ANNEX 4: COUNTRIES' OFFICIAL ABBREVIATIONS

### A. EU countries

EU countries prior to 2004, 2007 and 2013 Enlargements (EU-15)		EU countries that joined in 2004, 2007 or 2013	
<b>BE</b>	Belgium	<b>2004 Enlargement</b>	
<b>DK</b>	Denmark	<b>CZ</b>	Czech Republic
<b>DE</b>	Germany	<b>EE</b>	Estonia
<b>IE</b>	Ireland	<b>CY</b>	Cyprus
<b>EL</b>	Greece	<b>LV</b>	Latvia
<b>ES</b>	Spain	<b>LT</b>	Lithuania
<b>FR</b>	France	<b>HU</b>	Hungary
<b>IT</b>	Italy	<b>MT</b>	Malta
<b>LU</b>	Luxembourg	<b>PL</b>	Poland
<b>NL</b>	The Netherlands	<b>SI</b>	Slovenia
<b>AT</b>	Austria	<b>SK</b>	Slovakia
<b>PT</b>	Portugal	<b>2007 Enlargement</b>	
<b>FI</b>	Finland	<b>BG</b>	Bulgaria
<b>SE</b>	Sweden	<b>RO</b>	Romania
<b>UK</b>	United Kingdom	<b>2013 Enlargement</b>	
		<b>HR</b>	Croatia

In EU averages, countries are weighted by their population sizes.

### B. Non-EU countries covered by the ESPN

Former Yugoslav Republic of Macedonia (MK), Iceland (IS), Liechtenstein (LI), Norway (NO), Serbia (RS), Switzerland (CH), Turkey (TR).

## **ANNEX 5: EUROZONE COUNTRIES**

The euro (€) is the official currency of 19 out of the 28 EU Member States. These countries are collectively known as the Eurozone:

<b>Eurozone countries</b>	
<b>BE</b>	Belgium
<b>DE</b>	Germany
<b>EE</b>	Estonia
<b>IE</b>	Ireland
<b>EL</b>	Greece
<b>ES</b>	Spain
<b>FR</b>	France
<b>IE</b>	Italy
<b>CY</b>	Cyprus
<b>LV</b>	Latvia
<b>LT</b>	Lithuania
<b>LU</b>	Luxembourg
<b>MT</b>	Malta
<b>NL</b>	The Netherlands
<b>AT</b>	Austria
<b>PT</b>	Portugal
<b>SK</b>	Slovakia
<b>SI</b>	Slovenia
<b>FI</b>	Finland

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