



Peer Review on 'Reconciling Family Life and Entrepreneurship'

20-21 June 2017, Brussels (Belgium)

Short report

The Peer Review discussed policy approaches and measures to help self-employed people to reconcile family life and entrepreneurship/self-employment. The event was hosted by the Belgian Federal Public Service Social Security (FPS Social Security) bringing together government representatives and independent experts from eight countries, namely Belgium, Estonia, Germany, Ireland, Italy, the Netherlands, Spain, and Sweden. Representatives from the European Commission, the Belgian Union of Self-Employed Entrepreneurs (UNIZO) and UCM, a Belgian organisation representing the self-employed, also participated in the Peer Review.

In the first quarter of 2017¹ self-employed people made up 15% of the workforce in EU Member States. Some people choose self-employment as it can provide flexibility and a better work-life balance, however, it can also result in unpredictable or irregular working hours, as well as the lack of job security and sufficient access to social protection, all factors which can severely impinge on the work-life balance of self-employed workers, and particularly self-employed women.

Promoting entrepreneurship and self-employment is crucial to achieving smart sustainable growth across Europe. An important element of this is to ensure a good work-life balance so this is one of the key initiatives of the European Commission under the framework of the European Pillar of Social Rights. In April 2017, the Commission adopted a proposal on work-life balance, with a particular focus on increasing women's participation in the labour market. While the proposal for a Directive does not explicitly target self-employment, Member States could extend it to the self-employed. In addition, under the framework of the European Social Pillar of Social Rights, the Commission has launched a first-stage consultation with social partners on access to social protection in cases of atypical contracts and self-employment.

The Belgian Government considers the promotion of self-employment as an important driver for economic growth and job creation. National statistics show that the number of self-employed people has been on the rise in recent years, but with women still only representing one third of the total (a similar proportion to that of other Member States). According to national surveys, self-employed women find it particularly difficult to combine family and work life, a key factor which inhibits them starting their own business. To help self-employed people achieve a better work-life balance and to increase the labour market participation of women, the Belgian Government has recently introduced a number of new measures, notably:

¹ Eurostat 2017 (Q1)

- Extending the optional period of maternity leave for the self-employed by four weeks, with the possibility of taking up leave full or part-time;
- Exempting self-employed mothers from paying social security contributions following the first quarter after childbirth while retaining their entitlement to benefits; and
- Reforming the informal care system by extending eligibility to benefits to self-employed people to take care of a seriously ill relative on a full or part-time basis.

One of the main advantages of the Belgian leave and care system is the flexibility to take maternity and carer's leave on a full or part-time basis. This is particularly relevant for (self-employed) mothers with young children, since women generally assume more responsibility for childcare and household tasks. In addition, the Belgian Government introduced 'maternity aid' in the form of service vouchers. These vouchers are subsidised by the Belgian Government and can be used to employ workers via a certified enterprise to undertake a range of household tasks.

The key learning messages from the Peer Review can be summarised as follows:

- Forms of employment are becoming increasingly complex and differences between self-employment and wage employment are narrowing. There is also an increasing trend for the employment history of individuals to include periods of both self-employment and wage employment. This may impact on the social protection of such individuals, as well as their families. As such, there is a need for upward convergence of social protection between the self-employed and employees. Indeed, many of the key messages which emerged from the Peer Review appear valid not only for the self-employed, but also for other forms of employment.
- There is a growing gap in access to social protection for the self-employed. Social protection systems vary significantly across all Peer Review countries, including in terms of their funding (general taxation or social contributions; compulsory and/or voluntary); coverage (universal or contribution-based); type of support (allowances – flat-rate or income based; service vouchers or childcare services); and length, level of benefits, flexibility in use (full or part-time).
- Tailored measures are not widely used, although there are some targeted measures for those who do not have a record of social security contributions or income, including young people, students, the unemployed and start-up businesses.
- It is important to introduce flexibility into the use of social protection systems, so as to allow both periods of part-time and/or full-time work and for individuals to be able to move in and out of self-employment/employee status. Flexibility in the use of benefits is particularly important for the self-employed as they find it difficult to take long periods of leave for caring responsibilities. Besides good quality, accessible and affordable childcare with flexible hours and access for young children, there is the need to find new ways to support work-life balance and to cover periods where a self-employed person needs time away

from their business e.g. hiring replacements or co-working, shared common services.

- It is also desirable to allow a degree of transferability (or even pooling of benefits) between partners (and relatives); and between different types of employment. A flexible take-up of maternity, parental and carer's leave and the opportunity to transfer leave to partners and/or relatives (particularly in the case of single parents) could help self-employed people continue their businesses and achieve a better work-life balance.
- Across most Peer Review countries there is a lack of transferability of social protection rights. For example, the transferability of occupational rights such as pension entitlements, health insurance, sick pay or maternity, parental and carer's leave is often not guaranteed in case of a change of employment status. Ensuring that acquired rights are transferable could increase labour market flexibility.
- In social protection systems with variable and/ or voluntary contributions, there is a risk that self-employed people with low and/or irregular income opt out or pay the lowest level of contributions. This may lead to under-insurance against social and health risks. By better tailoring social protection systems to the work realities of self-employed people (including the simplification of administrative procedures), the access and take-up of social protection could be increased. Similarly, it is necessary to ensure that a social safety net is in place for those self-employed people below a certain income threshold to ensure adequate social protection.
- Access to information on entitlements to social protection could be improved through awareness raising activities and better use of modern technology (e.g. social benefit calculators) so that individuals can make more informed choices. For example, in countries with variable coverage, individuals may not be fully aware in what way the social insurance contributions affects their pension and benefit entitlements.
- A joined-up and integrated approach is needed to tackle work-life balance challenges. This can be achieved by bringing together different ministries and policy areas (e.g. tax system, social security, education and employment), as well as different governance levels (national, regional and local) and involving organisations representing self-employed workers in decision making and implementation.
- Further monitoring and evaluation of existing measures, including their impact on female self-employment, quality of life and work-life balance, is needed to inform and influence policy decisions. Many elements of the different approaches have good potential to be transferred and would benefit from more data and evidence to fully evaluate their relative advantages and disadvantages.