



The Social Protection Committee

2017 SPPM THEMATIC REVIEWS

Gaps in access to social protection for self-employed and atypical workers

➤ **Main findings and challenges highlighted during the review:**

- A growing share of non-standard work and self-employment is a visible phenomenon in many Member States and this often can lead to problems in social protection coverage.
- The self-employed are a very heterogeneous group, which presents a number of challenges in relation to addressing their social protection needs. Formal coverage may often not be enough.
- The main current challenges highlighted by Member States relate to:
 - ways of bringing the self-employed into the compulsory pension systems while avoiding putting too high burdens on those with low incomes and creating incentives to contribution avoidance and underinsurance;
 - defining minimum contribution levels;
 - the need to combat bogus self-employment;
 - the need to address red tape;
 - the need to consider public support and trust in social protection systems in relation to reforms.
- Some of the consequences due to gaps in access to social protection relate to labour market segmentation, skewed playing fields, less labour market transitions, discouragement to take up self-employment, lower life time productivity, more precariousness, rising inequalities and possible exposure to higher risks of poverty. The impact in terms of the financing of social protection, especially in insurance-based systems, is also an important aspect.
- The challenges for the future relate to the impact of digitalisation on new and increasing forms of employment contracts (e.g. 'cloud' and other digital platform workers) or new forms of work and the implications for alternative forms of financing of social security systems.

➤ **Reform options**

- To ensure effective access, social protection systems would have to be better tailored to the contribution capacities and the protection needs of the various groups of self-employed.
- Addressing gaps in access to social protection would thus require a multidimensional approach, looking not just at the design of social protection

and taxation systems, but also at labour law, with an important consideration given to avoiding unintended incentives for people to choose self-employment over dependent employment or vice versa.

- Reform options include increasing coverage of social protection benefits for self-employed and atypical workers, increasing the accessibility of benefits, their adequacy and actual take-up of.