

# The dynamism of the new economy: Non-standard employment and access to social security

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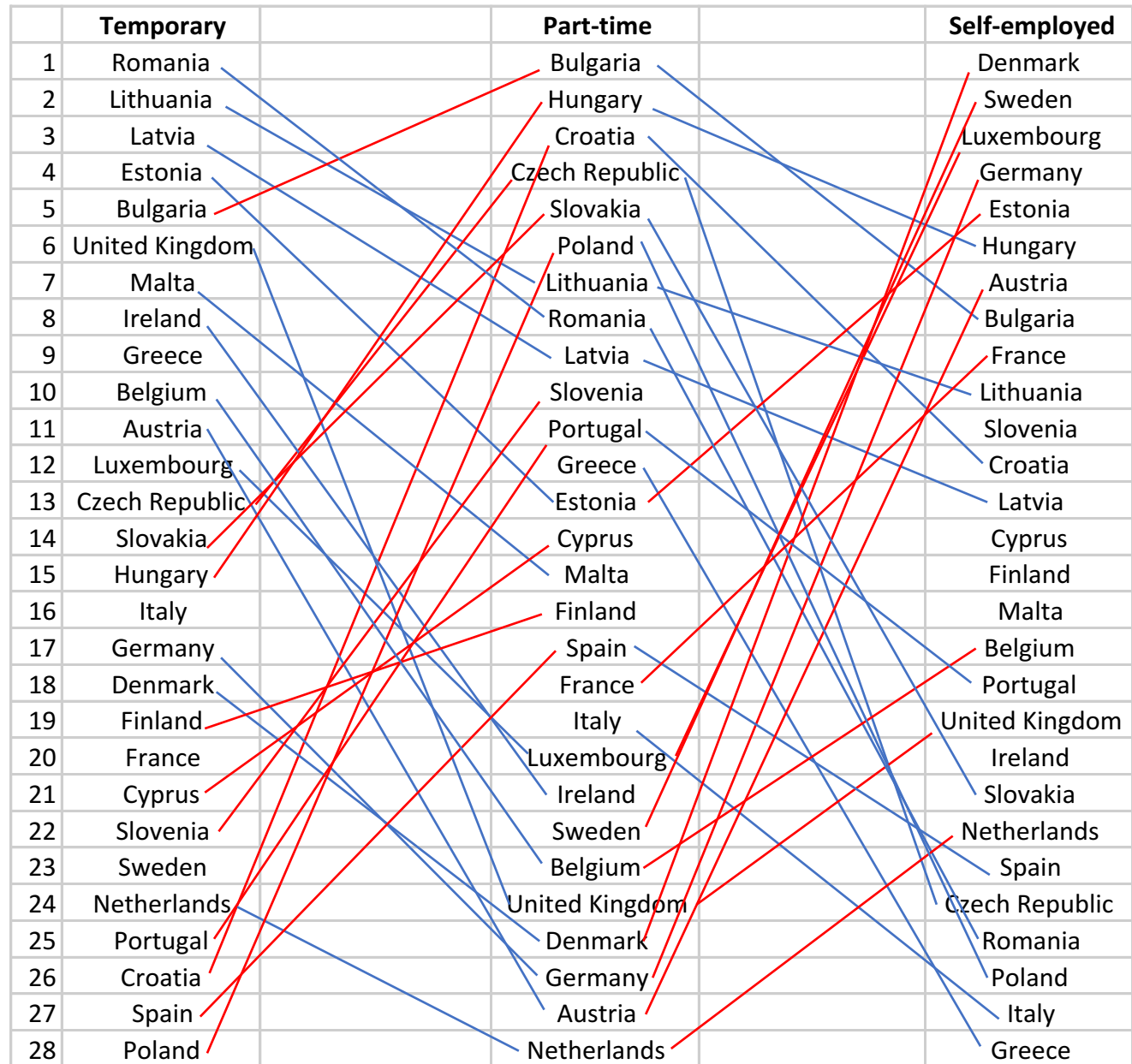
# Content of the Research note

- Non-standard workers: temporary, part-time AND self-employed (EU-LFS, EU-28, 2002 vs. 2016)
  - Benefits: unemployment, maternity, sickness AND old age pensions
  - Dimensions:
    - eligibility criteria (MISSOC)
    - income replacement rates (OECD 2014, MISSOC 2017, ESPN country reports 2017)
    - proportion of non-standard workers at risk (EU-LFS)
- Note brings these different components together to uncover the various combinations of disadvantages that non-standard workers face.

# Trends in non-standard employment 2002 vs 2016

- Types of non-standard employment vary significantly across EU-28
- Growth of temporary work + increase in education of temp. workers in most countries
- Growth of part-time work, particularly among women
- Structure of self-employment has improved in a number of countries although not all, and its levels remain stagnant in most.
- Higher productivity non-standard employment is more prevalent in some countries while last-resort non-standard employment is prevalent in others?

# Low to high share in total employment, 2016



Temporary: 2-25% of total employment

Part-time: 2-50% of total employment

SE: 8-30% of total employment

NB: Not all of these workers are at-risk.

# Temporary employees at risk of not receiving UB, 2016

|  |   |
|--|---|
| <p><b>Group 1 (4 countries): Croatia, Poland, Portugal, Slovenia</b></p> <p>Share of temporary workers at risk &gt; 50%</p> <p>Share of at risk temporary workers in total employment &gt; 10%</p> | <p><b>Group 2 (12 countries): Belgium, Bulgaria, Czech Republic, Estonia, Finland, Hungary, Italy, Latvia, Lithuania, Romania, Slovakia, United Kingdom</b></p> <p>Share of temporary workers at risk &gt; 50%</p> <p>Share of at risk temporary workers in total employment &lt; 10%</p> |
| <p><b>Group 3 (1 country): Spain</b></p> <p>Share of temporary workers at risk &lt; 50%</p> <p>Share of at risk temporary workers in total employment &gt; 10%</p>                                 | <p><b>Group 4 (11 countries): Austria, Cyprus, Denmark, France, Germany, Greece, Ireland, Luxemburg, Malta, Netherlands, Sweden</b></p> <p>Share of temporary workers at risk &lt; 50%</p> <p>Share of at risk temporary workers in total employment &lt; 10%</p>                         |

# UB access for employees in EU-28, 2016

|                    |   |        |        |        |       |        |        |        |        |       |        |        |        |        |        |        |        |        |        |       |        |        |        |        |        |        |        |        |        |
|--------------------|---|--------|--------|--------|-------|--------|--------|--------|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Workers            | A | Green  | Orange | Orange | Green | Orange | Green  | Green  | Orange | Green | Yellow | Orange | Green  | Red    | Orange | Green  | Orange | Orange | Orange | Green | Green  | Green  | Red    | Red    | Orange | Green  | Red    | Orange | Orange |
|                    | B | Green  | Orange | Yellow | White | Yellow | Green  | Yellow | Orange | Red   | Orange | Green  | Orange | White  | Orange | Green  | Yellow | Yellow | Green  | Green | Orange | Green  | Orange | Yellow | Red    | Yellow | Yellow | Orange | Yellow |
| Income replacement | C | Orange | Yellow | Yellow | White | Yellow | Yellow | Orange | Orange | Red   | Yellow | Yellow | Yellow | White  | Orange | Yellow | Yellow | Green  | Yellow | Green | Orange | Yellow | Yellow | Yellow | Red    | Orange | Yellow | Orange | Orange |
|                    | D | Green  | Green  | Red    | Red   | Green  | Red    | Red    | Red    | Red   | Red    | Red    | Green  | Red    | Red    | Red    | Green  | Red    | Green  | Red   | Red    | Red    | Red    | Green  | Red    | Red    | Green  | Red    | Green  |
| Eligibility        | E | Green  | Green  | Green  | Red   | Green  | Red    | Green  | Green  | Green | Green  | Red    | Green  | Green  | Green  | Green  | Green  | Green  | Green  | Green | Green  | Green  | Red    | Green  | Green  | Red    | Green  | Green  | Red    |
|                    | F | Orange | Orange | Yellow | Green | Orange | Orange | Orange | Orange | Green | Orange | Green  | Green  | Yellow | Orange | Orange | Orange | Yellow | Orange | Green | Green  | Green  | Orange | Orange | Orange | Green  | Yellow | Red    | Red    |
| COUNTRY            |   | A      | B      | B      | C     | C      | D      | D      | E      | E     | E      | F      | F      | H      | H      | I      | I      | L      | L      | L     | M      | N      | P      | P      | R      | S      | S      | S      | U      |
|                    |   | T      | E      | G      | Y     | Z      | K      | E      | E      | L     | S      | I      | R      | R      | U      | E      | T      | V      | T      | U     | T      | L      | L      | T      | O      | E      | I      | K      | K      |

## Legend:

A - At-risk workers: red - >50% of temp. workers at risk & temp. workers >10% of total empl.; orange - >50% of temp. workers at risk & temp. workers <10% of total empl.; yellow - <50% of temp. workers at risk & temp. workers >10% of total empl.; green - <50% of temp. workers at risk & temp. workers <10% of total empl.

B - Average net income replacement, married with two children: red - below 65%; orange - between 65-75%; yellow - between 75-85%; green - above 85%

C - Average net income replacement, childless single: red - below 50% of earnings; orange - between 50-65%; yellow - between 65-80%; green - above 80%

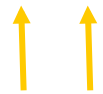
D - Exceptions for vulnerable groups: red - no; green – yes

E - Limitations on amount / hours: red - no; green – yes

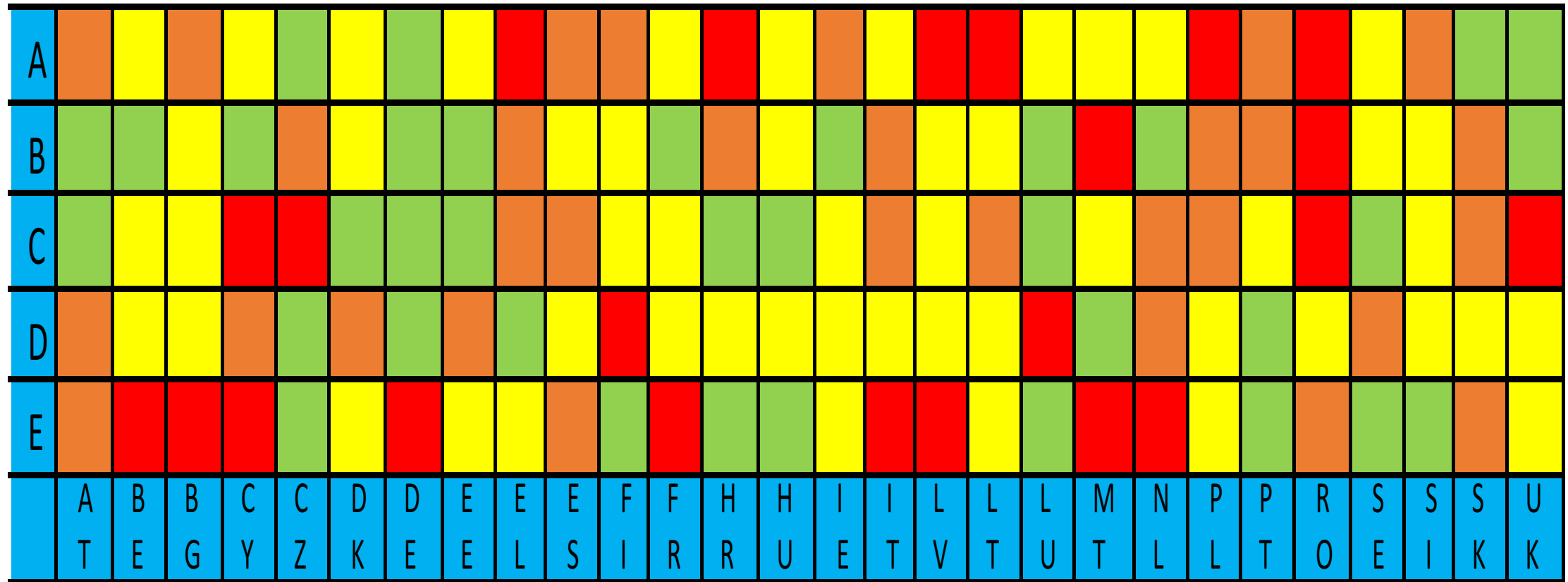
F - Contributions payment requirement: green - below 9m; yellow - 9m; orange - 12m; red - above 12m

# UB access for employees in EU-28, 2016

|                    |   |       |        |        |       |        |        |        |       |       |        |        |        |        |       |        |        |        |        |       |       |        |        |        |       |        |        |       |        |
|--------------------|---|-------|--------|--------|-------|--------|--------|--------|-------|-------|--------|--------|--------|--------|-------|--------|--------|--------|--------|-------|-------|--------|--------|--------|-------|--------|--------|-------|--------|
| Workers            | A | Green | Brown  | Brown  | Green | Brown  | Green  | Green  | Brown | Green | Yellow | Brown  | Green  | Red    | Brown | Green  | Brown  | Brown  | Brown  | Green | Green | Green  | Red    | Red    | Brown | Green  | Red    | Brown | Brown  |
|                    | B | Green | Brown  | Yellow | White | Yellow | Green  | Yellow | Brown | Red   | Brown  | Green  | Brown  | White  | Brown | Green  | Yellow | Yellow | Green  | Green | Brown | Green  | Brown  | Yellow | Red   | Yellow | Yellow | Brown | Yellow |
| Income replacement | C | Brown | Yellow | Yellow | White | Yellow | Yellow | Brown  | Brown | Red   | Yellow | Yellow | Yellow | White  | Brown | Yellow | Yellow | Green  | Yellow | Green | Brown | Yellow | Yellow | Yellow | Red   | Brown  | Yellow | Brown | Brown  |
|                    | D | Green | Green  | Red    | Red   | Green  | Red    | Red    | Red   | Red   | Red    | Red    | Green  | Red    | Red   | Red    | Green  | Red    | Green  | Red   | Red   | Red    | Red    | Green  | Red   | Red    | Green  | Red   | Green  |
| Eligibility        | E | Green | Green  | Green  | Red   | Green  | Red    | Green  | Green | Green | Green  | Red    | Green  | Green  | Green | Green  | Green  | Green  | Green  | Green | Green | Green  | Red    | Green  | Green | Red    | Green  | Green | Red    |
|                    | F | Brown | Brown  | Yellow | Green | Brown  | Brown  | Brown  | Brown | Green | Brown  | Green  | Green  | Yellow | Brown | Brown  | Brown  | Yellow | Brown  | Green | Green | Green  | Brown  | Brown  | Brown | Green  | Yellow | Red   | Red    |
|                    |   | A     | B      | B      | C     | C      | D      | D      | E     | E     | E      | F      | F      | H      | H     | I      | I      | L      | L      | L     | M     | N      | P      | P      | R     | S      | S      | S     | U      |
| COUNTRY            |   | T     | E      | G      | Y     | Z      | K      | E      | E     | L     | S      | I      | R      | R      | U     | E      | T      | V      | T      | U     | T     | L      | T      | O      | E     | I      | K      | K     |        |



# UB access for self-employed in EU-28, 2016



## Legend:

A – Farmers: <5 = green; 5-15 = yellow; 15-25 = orange, >25 = red

B – Below tertiary education: <60 = green; 60-70 = yellow; 70-80 = orange, >80 red

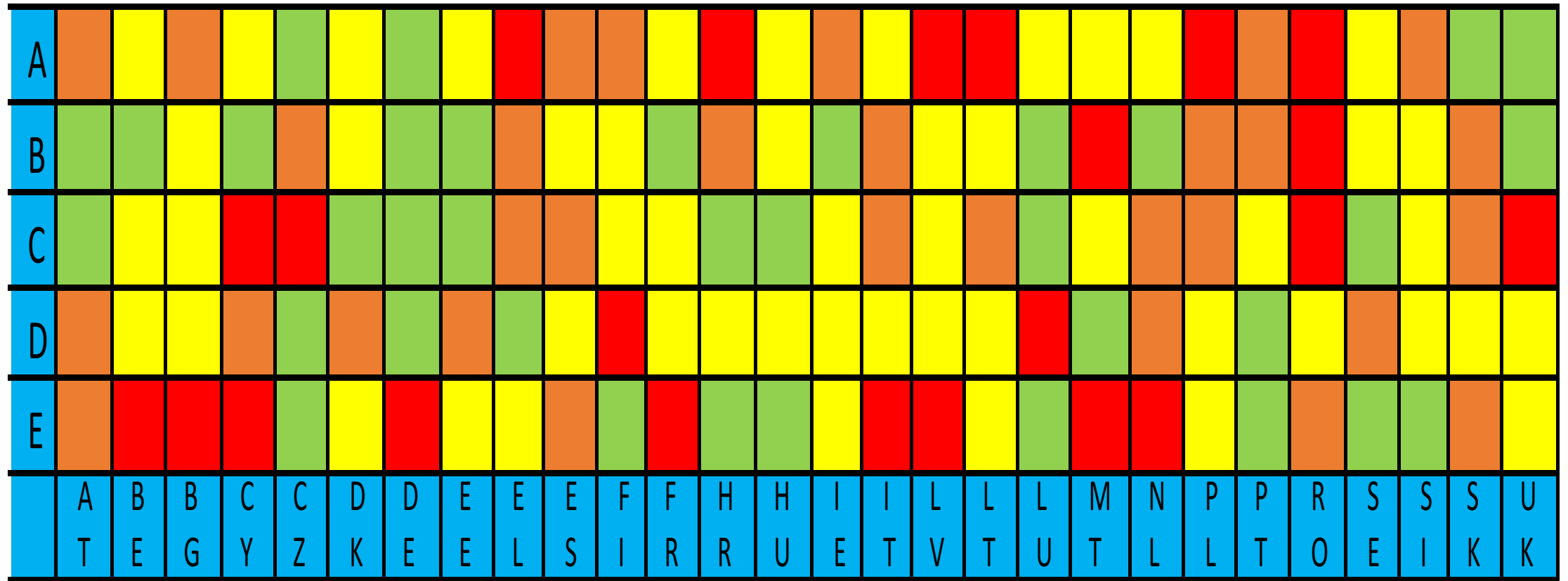
C – Own-account: <60 = green; 60-70 = yellow; 70-80 = orange, >80 red

D – Share in total employment: <10 = green; 10-15 = yellow; 15-20 orange, >20 red

E – Insurance availability: green = compulsory; yellow = partial; orange = voluntary; red = none



# UB access for self-employed in EU-28, 2016



# Country ranking by UB “disadvantage index”

(better to worse)

| Employees   | Self-employed |
|-------------|---------------|
| Cyprus*     | Germany       |
| Luxemburg   | Hungary       |
| Netherlands | Estonia       |
| France      | Luxemburg     |
| Croatia*    | Sweden        |
| Austria     | Czech R       |
| Ireland     | Denmark       |
| Czech R     | Ireland       |
| Denmark     | Portugal      |
| Finland     | Slovenia      |
| Latvia      | UK            |
| Lithuania   | Austria       |
| MT          | Belgium       |
| Sweden      | France        |
| Bulgaria    | Croatia       |
| Germany     | Finland       |
| Italy       | Slovakia      |
| Slovenia    | Bulgaria      |
| Belgium     | Greece        |
| Greece      | Spain         |
| Spain       | Lithuania     |
| Portugal    | MT            |
| Poland      | Netherlands   |
| Estonia     | Cyprus        |
| Hungary     | Italy         |
| UK          | Latvia        |
| Slovakia    | Poland        |
| Romania     | Romania       |

Index construction:

Green = 1

Yellow = 2

Orange = 3

Red = 4

Note: \* Data missing for income replacement rates

# Key insights

- Access to unemployment benefits the most challenging component of social security provision for people in non-standard employment.
- Maternity and sickness beneficiaries are easier to access: smaller target group and politically more salient.
- Multiple sources of “UB disadvantage” for non-standard workers are compounded, but their interactions vary across EU-28.
- Countries with the most supportive social security nets appear to have the least vulnerable structure of non-standard workers.  
Direction of causality?