New forms of (platform) work and social security

Prof. dr. Paul Schoukens

Changing world of work – Research Seminar – Brussels
12 January 2018
OVERVIEW

PRESENTATION OF THE BROADER RESEARCH

DEFINING (A) TYPICAL WORK

NEW FORMS OF (PLATFORM) WORK EMERGING BETWEEN STANDARD AND NON-STANDARD WORK

CONSEQUENCES FOR SOCIAL SECURITY
BROADER RESEARCH

• Research Instituut Gak:
Is it possible to come to adapted social security schemes for atypical workers (i.e. solo-SE) in the NL, within the framework of the theory on the necessity to distinguish ‘profession-specific’ application rules and basic (profession-neutral) principles underlying our social security systems?

• Building further on comparative research (1992-2005) on social protection self-employed
  • Basic principles (neutral to the profession) >> application rules (adapted to specific working situation of the ‘atypical’ professions)
  • Employee as regulatory ‘default’ standard for social protection → specificity SE?

• New atypical work types (esp, gig-economy) → quid previous findings SE-research?
What is Typical Work?

• Typical as ‘most common’
  58% of the workforce in the EU is in indefinite full-time employment.

• Typical as the ‘regulatory standard’

  The «STABLE, OPEN-ENDED AND DIRECT EMPLOYMENT RELATIONSHIP BETWEEN A DEPENDENT, FULL-TIME EMPLOYEE AND HIS UNITARY EMPLOYER» (Walton, 2016) became the standard for the regulation of the male labour market during Fordism because:
  o It provided a secured pool of middle-skilled workers.
  o It provided the income security needed for developing consumerism and the welfare State.
EXTERNAL CHALLENGES TO THE STANDARD EMPLOYMENT RELATIONSHIP - I

STANDARD EMPLOYMENT
(EMPLOYEES IN A FULL-TIME PERMANENT JOB)
58% EU employment

PART-TIME EMPLOYMENT
20% EU employment

TEMPORARY EMPLOYEES
12% EU employment

SELF-EMPLOYMENT
16% EU employment

Source: Eurostat, Labour status of persons aged 15 years and older, EU-28, 2014
INTERNAL CHALLENGES TO THE STANDARD EMPLOYMENT RELATIONSHIP

EMPLOYMENT RELATIONSHIP

- Personal subordination
- Bilateral character
- Salary
- Economic dependency
- Mutuality of obligations
- Work usually performed at the employer’s premises

STANDARD EMPLOYMENT

LABOUR STABILITY

- Indefinite duration
- Full-time

INCOME SECURITY

- Salary which is sufficient to ensure livelihood
- Expectation of an adequate level of social insurance
Cloud work (web-based digital labour) – gig-work (location-based digital labour)

(Florian A. SCHMIDT)

- Cloud work
  - Freelance market places: tasks to select(ed) individuals
  - Crowd work: tasks made available to the crowd
    - Micro-tasks – creative work
    - Contest (payment best work) – no contest

- Gig-work: tasks given to individuals
  - Accommodation – transportation – delivery services – household services

Companies renting own products/services – Companies enabling third party transactions (resolving or not information asymmetries)

(Deepa DAS ACEVEDO)
EXTERNAL CHALLENGES TO THE STANDARD EMPLOYMENT RELATIONSHIP - II

PART-TIME
- Marginal work
- Temporary agency work
- Apprenticeships

SELF-EMPLOYMENT
- Freelance work
- Portfolio workers
- Crowd work

FIXED-TERM
- Marginal work
- Temporary agency work
- Apprenticeships
EXTERNAL CHALLENGES TO THE STANDARD EMPLOYMENT RELATIONSHIP - IV

Economically dependent self-employed

Trainees / Apprentices / PhD students

Temporary agency work

Owner-managers

Portfolio workers

Economically dependent self-employed

Trainees / Apprentices / PhD students

Temporary agency work

Owner-managers

Portfolio workers
HOW NON-STANDARD WORK CHALLENGES SOCIAL SECURITY SYSTEMS?

**WHY IS IMPORTANT FOR SOCIAL SECURITY?**

- Persons in work earn a salary
- Persons not in work need to find work
- Employer is responsible for social security and for financing
- Employer decides on redundancy
- Thresholds in social insurance schemes

**TO DEFINE/TO DETECT WORK**

**TO DETECT EMPLOYER**

**LACK OF LABOUR / INCOME STABILITY**

**HOW IS CHALLENGED BY NON-STANDARD FORMS OF (PLATFORM) WORK?**

- Unpaid activities/commodification (V. De Stefano)/informal work?
- Unpaid work
- Marginal work?
- Multiple employers
- Issue of classification: Bogus self-employed
- Eer based social protection?
- Zero-hours contracts: Both sides may refuse work
- Difficult to track hours
- Very small number of hours / low income
USE of THRESHOLDS $\rightarrow$ effects atypical (marginal) work

- Mapping the diversity of thresholds
  - Traditionally applied for combat fraud, reduce administrative burden
  - Flexibility (flex labour) $\rightarrow$ mini-jobs $\rightarrow$ (partial) exclusion
    - Depending (or not) on having socially covered ‘main activity’
  - To define ‘professional’ character of the activity
  - Minimum income self-employed persons (issue of under-reporting)
  - Limited to defined groups (domestic work, pensioners,…)

- Different goals

- Having impact upon atypical work forms (esp. Gig-economy)
The standard employment relationship is still typical in numerical terms, but it is stopping to be typical as a regulatory model. This produces challenges and rethinking for social security:

- To adapt technically the system to the specificities of non-standard work
- Leaving Fordism: From stable work to income out of activity
- Subsidizing non-standard work?
- Position universal (basic) systems → Basic income?
- Social Security itself conducting to poverty?
Thank you