Exploring self-employment in the European Union
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Peer review on the rise of precarious work – causes, challenges and policy options

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Concerns

• Is the nature of employment changing?
  – New, non-standard forms of employment
  – Employment status ambiguous
  – More precarious work?

• What is the effect of digitalisation and globalisation on work?

• Does social protection cater for these changes?
Temporary employment stable, but more short term contracts

Source: Eurostat (LFS)
More part-time, more involuntary

Source: Eurostat (LFS)
Self-employment stable overall, but more without employees

Source: Eurostat (LFS)
Country differences in trends

[Graph showing the share of self-employed (total) for various countries in 2008 and 2015, with categories for no change, increase, and decrease. The countries listed are Portugal, Croatia, Cyprus, Romania, Hungary, Italy, Poland, Germany, Ireland, Sweden, Denmark, Bulgaria, Austria, Spain, Malta, Lithuania, Czech Republic, France, Belgium, Slovakia, Greece, Finland, Estonia, United Kingdom, Slovenia, Luxembourg, Latvia, and Netherlands.]

Source: Eurostat (Labour Force Survey)
Why become self-employed?

- With employees:
  - 71

- Without employees:
  - 54

- All self-employed:
  - 60

- 4 Neither of these reasons
- 5 A combination of both
- 15 No other alternatives for work
- 17 Mainly through own personal preferences

Source: Eurofound (European Working Conditions Survey 2015)
Clustering the self-employed

Self-employed, EU28, 2015
EU28 workforce 220.7 million (% within workforce)

- Employees 188.7 million (86%)
- Self-employed 32 million (14%)
- Employers 7.4 million (23%)
- Small traders and farmers 8.0 million (25%)
- Vulnerable 5.4 million (17%)
- Concealed 2.6 million (8%)
- Stable own-account workers 8.3 million (26%)
Stable own-account workers (26%)

- 99% does not employ staff
- 12% self-employed out of necessity
- 93% has more than one client
- 90% able to take time off

Opportunity, independent, autonomous
Vulnerable (17%)
Dependent, precarious, necessity

40% out of necessity
55% only one client
48% difficult to find new clients
63% in lowest income quintile
98% no training
Implications

• Majority of self-employed generally have good working conditions
  – Good job quality
  – Innovation and job creation?

• Self-employed are not always independent and autonomous
  – Worse job quality
  – Lack of social protection?

• Ambiguity regarding the self-employment status
Between the legal cracks

• Dependence and subordination, but employee legislation does not apply

• Social protection and representation may be lacking
  – No unemployment protection in 11 member states
  – No insurance against accidents at work in 10 member states
  – No sickness benefits in 3 member states
  – Take up of voluntary coverage ranges from 1% to 20%
Policy approaches

- Member states
  - Criteria to distinguish employment from self-employment
  - Create a third status

- European Commission: access to adequate social protection for all
Suggested reading


• Eurofound (2017), Non-standard forms of employment: Recent trends and future prospects, Eurofound, Dublin.


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