



Mutual Learning Workshop on Access to Social Protection 'Extending formal coverage. Mandatory versus voluntary approach'

Outcome Report

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1 Introduction

The purpose of this first of a series of four mutual learning events was to discuss and exchange experiences on how to extend formal coverage.¹ The aim was to inform Member States' plans and contribute to the implementation of the principles set out in the Council Recommendation² on access to social protection for workers and self-employed, as well as the European Pillar of Social Rights (EPSR). The recommendation calls upon Member States to ensure effective coverage for all workers, regardless of the type of employment relationship. Although it also foresees an improvement and extension of coverage for the self-employed, Member States are granted more leeway in this regard: they can opt for voluntary coverage against social risks where deemed more appropriate than a mandatory system.

The European Commission's Impact Assessment³ in 2018 found that it is particularly self-employed and non-standard workers who face obstacles in accessing social protection in specific social protection branches, such as sickness benefits and unemployment schemes, while non-standard workers also face problems in accessing, *inter alia*, old age and health care benefits. Against this background, Day 1 of this workshop looked particularly at the advantages and disadvantages of a voluntary versus a mandatory approach to formal coverage for non-standard workers and the self-employed, as well how gaps in coverage can be remedied in specific branches, such as accidents at work and unemployment benefits. Day 2 of the workshop then looked into ways of preparing and carrying out any necessary social protection reforms and how non-standard workers, the self-employed and relevant social actors can best be involved in this process. Participants from Belgium, Denmark, Ireland, Spain and the Netherlands presented national approaches to extend formal coverage, which are featured in boxes in the sections below.

2 Gaps in social protection for non-standard workers and self employed

Europe's labour markets are rapidly changing with new forms of non-standard work and self-employment emerging. These groups of workers are very diverse with different needs. The European Commission's Impact Assessment refers to a differentiation by Eurofound⁴ of five groups of self-employed; employers, stable own account workers (both groups have more autonomy over their work and follow economically sustainable activities), vulnerable and/or concealed workers (who are generally more dependent and experience lower levels of income and job security), and small traders and farmers. Different types of non-standard work were identified by Eurofound,⁵ such as employee sharing, job sharing, interim management, casual work, ICT-based mobile work, voucher-based work, portfolio work, crowd employment or collaborative employment.

While most self-employed are male, there is often a gender-bias across sectors, for example, women often work in health and social care or household services and men in construction.

¹ Defined as 'a situation in a specific social protection branch (e.g. old age, unemployment protection, maternity/paternity protection) where the existing legislation or collective agreement sets out that the individuals of this group are entitled to participate in a social protection scheme covering a specific branch.'

² This was adopted by the Council on 8th November 2019

³ European Commission (2018), Commission Staff Working Document, Impact Assessment Accompanying the document Proposal for Council recommendation on access to social protection for workers and the self-employed

⁴ Eurofound (2017), Exploring self-employment in the European Union

⁵ Eurofound (2015), New forms of employment

Formal coverage of self-employed and non-standard workers is often closely linked to policies aimed at enhancing more flexible labour markets, as illustrated in the Dutch case below.

Recent labour market policies in the Netherlands

Around 40% of Dutch workers have non-standard contracts or are self-employed (part time work is a widespread phenomenon and is not considered non-standard). Recent labour market policies allow a variety of non-standard contracts. In addition, the self-employed receive tax deductions and exemptions for social protection contributions, compared to employees with the same income.

In the Netherlands, all workers, including flexible workers and permanent employees, are covered at a minimum level by the first pension pillar, partial maternity and full health coverage. At the same time, employee insurance schemes provide income maintenance for wage earners (unemployment, sickness and incapacity for work). The self-employed can voluntarily decide to cover themselves against sickness; however, participation rates are low.

In addition, most employees are covered by occupational pension schemes, but conditions vary for non-standard workers and most self-employed are not included. In order to address some of these gaps in social protection, a government agreement in 2019 on pensions includes compulsory disability insurance for the self-employed and participation in the second pillar pension scheme as default.

In 2019, legislation proposed to regulate self-employment offers low-income self-employed a minimum hourly rate of 16 Euros. Self-employed who earn more than 75 Euros per hour can choose self-employment or employee status in tax and social security contributions. There are also plans to reduce tax benefits for the self-employed. However, labour productivity remains low and a growing pressure on wages already exists, so it is questionable if the measures come too late to counter-balance the previous fiscal stimulation for non-standard work and self-employment.

Social protection has traditionally been designed around the 'standard employment relationship' (SER), defined as a 'stable, open ended and direct employment relationship between a dependent, full-time employee and his unitary employer.'⁶ Non-standard workers and the self-employed challenge social protection because they often have none or multiple employers, combine their activities, also with unpaid or informal work, have indefinite working hours and their income is often irregular, unsteady or/and low.

Access to social protection depends upon whether a person is entitled to participate in relevant schemes and if a person has 'effective' access to benefits by building up entitlements. Social protection systems can be inclusive for non-standard workers and the self-employed, or provide access to specific social protection related arrangements (for example, voluntary insurance or specific schemes), or exclude non-standard workers and the self-employed (or some groups of these) from access to social protection.

Different social protection branches require different approaches. Regardless of the inclusiveness of the system, gaps in formal coverage are caused by the kind of work of non-standard workers and the self-employed. Specifically, this is the case in the unemployment, sickness and accidents at work/occupational diseases branches. For example, it is difficult to assess the impact of sickness on their activities (for instance, business activities (such as online sales) can continue and the people still receive an income), to prove whether an accident happened on work-related activities and when

⁶ Walton, M.J. (2016), *The Shifting Nature of Work and Its Implications*

the activities of the self-employed actually cease in order to provide them with unemployment benefits.

The specific work situation of self-employed and non-standard workers requires tailored responses at national level. The measures can include lowering income or time thresholds to access schemes, changing registration systems or acknowledging multiple employers or different employment relations. As social protection systems, labour markets and labour policies are different, there is no 'one size fits all' solution, countries need to assess the most suitable mechanisms. Furthermore, extending social protection for non-standard workers and the self-employed is interlinked with other policy areas, such as taxation, social assistance, social security or gender equality. The Belgian example below illustrates a range of measures to extend coverage.

Recent reforms in Belgium

Several steps have been taken to create convergence in formal social protection coverage between self-employed and standard workers, but also to promote gender equality and work-life balance. For example, in 2017, maternity leave for the self-employed has been extended by four weeks to up to 12 weeks (which can be combined with part-time working). There has also been the introduction of paternity and birth leave, as well as leave for foster parents.

There are also measures tailored specifically to the work situation of self-employed: the 'bridging right', for instance, includes financial compensation for the self-employed for a maximum of 12 months in case of certain economic difficulties, such as forced interruption or economic downturn. The 'Primo Starter' measure provides a reduction of social contributions while maintaining a coverage in the first four quarters of self-employed activity.

Ensuring social protection to low-income earners is one of most challenging issues. Income levels are increasingly used to determine whether an activity can be considered as 'work'. If one does not earn a minimum level of income, one is not considered a worker and is thus not covered by social protection. In addition, even if a worker is covered, their low contribution rates result in low benefits. For example, in Spain, more than 80 % of the self-employed qualify for the minimum social protection contribution in the RETA scheme⁷ which, in turn, results in inadequate protection and, ultimately, threatens the system's financial sustainability. For instance, 40 % of the self-employed receive a supplement due to low pensions.

Hence, formal coverage may be extended by reviewing minimum income levels below which individuals in some Member States currently do not have access or only have access on a voluntary basis. However, it is often unclear how the overall individual situation should be assessed; for example, if individual or household income or assets should be considered.

3 Mandatory and voluntary approach

Mandatory access to social protection remains the standard approach to social protection. This is based on the solidarity principle of welfare states and increases trust in public social protection schemes. It also has the advantage of simple administration as, by definition, everybody is covered. This approach allows a high redistribution of financial resources which is often linked to wider aspects, such as public opinion and trust in public institutions to cover social risks.

⁷ This regime covers health care, sickness cash benefits, maternity/paternity (birth and childcare benefit), invalidity, old age (neither early nor partial retirement are covered), survivors' pension, family benefits. Accidents at work and occupational disease and unemployment were added in 2019.

Voluntary coverage of social protection bears the risk that self-employed and non-standard workers, especially low and high-income earners opt out. Their participation in voluntary schemes is, however, vital for the financial sustainability of the scheme and wider public finances. For example, if low-income earners opt out or participate with low contributions, they can become reliant upon social assistance.

If social protection in specific branches is not mandatory, previously uncovered groups would have the possibility to join a scheme, but the final decision on whether to use this option would be left to the individual. It, therefore, depends highly on how the design of the voluntary scheme is tailored to the needs of non-standard and self-employed workers. Voluntary coverage can be incentivised by tax deductions, lower contribution rates and a simple, easy-to-use system, providing a choice from a range of contribution levels (but with the lowest level guaranteeing a minimum safety net / social protection level), and examining the way contributions are paid, e.g. the self-employed pay all their contributions themselves.

4 Focus on specific branches

4.1 Unemployment benefits

Technological, demographic and social change affect employment relations. With more frequent and/or non-linear career changes and the growing incidence of non-standard work and self-employment, social security branches also need to be reformed.

Unemployment benefits are often difficult to access for non-standard and self-employed workers, as coverage in schemes is still mostly based on the termination of a standard employment contract. Certain groups of non-standard workers, as well as the self-employed in some countries, often have no access to unemployment schemes (or they can be voluntarily insured).

In addition, it is often difficult to assess if the self-employed are really unemployed (for example, if they still benefit from the income or plan work that secures future income). Here, some countries have already implemented some solutions. For example, in Denmark people close their company online before unemployment benefits get paid, or in Ireland the self-employed declare the cessation of their activities alongside with the declaration by an accountant. However, questions still remain, for example: how to factor in planned temporary closure of businesses.

In terms of access and entitlement to benefits, income from different types of jobs and combined work activities should be considered, rather than solely the work status, as illustrated in the Danish example below.

Unemployment insurance benefits for self-employed and non-standard workers in Denmark

Denmark's *Flexicurity* model with its flexible dismissal policies, combined with active labour market policies (ALMP) and an economic safety net, also needs to cover the growing number of self-employed and non-standard workers. The previous unemployment system did not allow for an entitlement to benefits based on different types of work. It was also less objective and register-based which, in turn, created administrative burden. The new unemployment scheme implemented in 2018 aims to handle all types of employment and to increase coverage for people in non-standard jobs, with multiple jobs and persons combining employment and self-employment.

In this new scheme, unemployment is defined in relation to activities rather than a categorisation as either self-employed or wage earner. Income as both wage earner and self-employed - as well as income from multiple income sources (such as surplus in own company and secondary activities) - establishes eligibility and entitlements. This total income must be at least EUR 32 000 within three years. Eligible amounts are calculated monthly with a maximum accumulation of EUR 2 500. As in the 'ordinary'

unemployment insurance scheme for wage earners, the unemployed can extend the benefit period by working; one hour of work results in a two-hour benefit extension.

The system links the tax system and the unemployment system by using earnings registered for tax purposes and is fully digital. This makes it less bureaucratic, also by supporting different ways of declaring ceased business activity online

Although the group covered by this new scheme was still relatively small (around 150), the number of the self-employed is expected to increase in the upcoming years. The system will be evaluated in 2021.

When designing mandatory or voluntary access to unemployment benefits, specific work situations and the organisation of unemployment insurance need to be taken into account. Mandatory coverage can protect the most vulnerable, for example workers with a high risk of being in unstable work, such as fixed-term workers.

Especially after the financial and economic crisis, people worry about income loss in the case of unemployment and their willingness for mandatory insurance has increased.⁸ A universal approach has been adopted by France where a tax-based unemployment benefit system facilitates its extension to the self-employed (without increase in the social contribution they pay).

Voluntary schemes can be a way to extend coverage for groups who remain outside of the social protection system. However, often contribution rates of voluntary insurance are low which, in turn, leads to inadequate benefits. For example, in Spain, a voluntary unemployment insurance scheme for self-employed workers with low contribution rates was made compulsory from early 2019. Contribution rates of the self-employed will gradually increase to improve adequacy.

The Irish example below showcases an example of mandatory coverage based on an income threshold and a financial incentive for voluntary coverage of low-income earners below this income threshold.

Jobseeker's Benefit for the Self-Employed in Ireland

As a result of the 2008 economic and financial crisis, the Irish government committed in 2016 to extend unemployment benefits, in the form of the Jobseeker's Benefit, to the self-employed. Around 13 % of the Irish workforce are self-employed.

With this new scheme, which came into force on 1st November 2019, the self-employed have the same access to unemployment benefits (and activation) as standard employees, whilst they pay the same contribution rate as before; 4 % (in comparison, employees pay 4 % and the employer pays 10.75 % on behalf of the employee, in total 14.75 %). The coverage for unemployment is now included in the social insurance contributions of self-employed (class "S"), that includes entitlements to maternity/paternity and pensions. Those who earn less than EUR 5 000 from self-employment in a year are exempt from the scheme, they can however pay EUR 500 as a voluntary contribution. For this group, the scheme provides a financial incentive, as they will probably already receive EUR 500 back in the first year of pension payments.

Qualifying conditions are more or less the same as for standard workers: they need to be under pensionable age, satisfy contribution conditions, not be engaged in self-employment and be capable of work. People also have the possibility to receive the benefit and combine it with insurable employment at the same time (for each day of such insurable employment, 20 % will be deducted from the weekly rate).

⁸ Codagnone, C., Lupiáñez-Villanueva, F., Tornese, P., Gaskell, G., Veltri, G., Vila, J., Franco, Y., Vitiello, Theben, A., Ortoleva, P., Cirillo, V. and Fana, M, 9 (2018), Behavioural study on the effects of an extension of access to social protection for people in all forms of employment

The Danish and Irish approach both offer the possibility to combine work with the unemployment benefit and provide access to ALMP. The latter also should be specialised on the nature of self-employment work, for example training in entrepreneurship.

4.2 Accidents at work and occupational diseases

Gaps in the coverage of work accidents and occupational diseases for non-standard workers and the self-employed are caused mainly by earnings thresholds and difficulties in proving the relationship between the job performed and the accident occurred. At the same time, finding an adequate approach to remedying these gaps is feasible and a majority of Member States already provides some form of coverage against this risk for the self-employed. However, in 10 Member States, no coverage for the self-employed is currently provided and even in those Member States where this is the case, coverage is still low. One issue is the lack of available data at national level on work-related accidents. Furthermore, measuring the risks of work accidents and occupational diseases may be more challenging for the self-employed than for employees.

Social protection against accidents at work and occupational disease in Spain

Social protection of self-employed workers in Spain has traditionally been managed on a voluntary basis following an opt-in approach, both for accidents at work, occupational diseases and unemployment. As a result, coverage was rather low, amounting to 15.7 % in 2018 for accidents at work and occupational diseases. The contribution basis was freely chosen by the self-employed and, as more than 80 % of all self-employed opted for the minimum basis, their respective benefits were also low.

To extend social protection coverage and correct the negative impact linked to the voluntary basis of coverage against employment risks, a reform was undertaken in 2018, ultimately aiming for full convergence of the self-employed with employees in terms of social protection. This has led to a change in approach from voluntary to compulsory coverage for accidents at work, occupational diseases and unemployment as of 1 January 2019 for all self-employed, except for self-employed agricultural workers. Furthermore, the reform has provided for a gradual increase in contribution rates.

So far, the reform has proved very effective in extending coverage, leading to an increase in the number of self-employed covered against accidents at work and occupational diseases by 500 %. Although the increase of the contribution rate as a result of the reform is only small and gradual, the amount of social contributions collected is significantly growing (+EUR 174 million). Conversely, expenditure on benefits has increased only moderately, from EUR 16 to 34 million. However, some outstanding problems and questions remain: for example, related to the fact that the contribution rate is fixed for all types of self-employed, regardless of the actual risks of their activity. Furthermore - although not observed so far - the system could be more prone to abuse.

Different systems and means of proving the relationship between the job performed and the accident occurred are in place in Member States, such as medical boards to confirm the injury, witness statements by a third person or confirmation of the accident by the police. Coverage should be ensured at the very least through the availability of voluntary or supplementary (private) schemes, whereby an opt-out system may be an effective means of increasing the number of self-employed and non-standard workers covered. At the same time, as certain types of work are more prone to work-related accidents, a sectorial approach could also be considered, whereby the insurance for such accidents is made mandatory for certain types of occupational groups, such as those working in construction. Following a recent reform in Spain, the coverage for work accidents for the self-employed is mandatory, leading to an increase of the number of self-employed covered by 500 %; however, the

number of reported work-related accidents only rose by 200%. In Belgium and Portugal, coverage is mandatory but provided through private insurance. At the same time, in Belgium, high importance is placed on the prevention of accidents and reintegration of the self-employed into the labour market.

In parallel to ensuring adequate coverage, whether through a mandatory or voluntary approach, preventive measures and campaigns to sensitise self-employed and non-standard workers about accidents at work and occupational diseases are also considered crucial. For example, inspection authorities can carry out spot checks on health and safety aspects at the workplace.

4.3 Sickness and health care

A particular challenge of designing an effective scheme for formal coverage in the event of sickness or partial work incapacity lies in the difficulty of measuring the eventual loss of income and working time for the self-employed. However, this is necessary in order to calculate the exact benefit to cover the income loss following sickness, and only possible with close income monitoring. In light of these challenges, a mandatory approach can be difficult to implement from the outset. To this end, until adequate administrative monitoring systems and tools have been set up in Member States, other solutions could be considered, such as allowing opt-in into specific schemes not originally intended for the self-employed. The provision of in-kind support in the event of sickness, for example a replacement service of the sick self-employed, could also be an option, although Member States have found this to be difficult to implement in practice. An important step towards achieving equal coverage of standard workers and self-employed/non-standard workers is to streamline the waiting period until the benefits can be claimed; in various Member States, this is still longer for the self-employed and non-standard workers than for standard workers.

As regards the coverage of healthcare benefits, a mandatory approach is considered the only and most effective way to remedy gaps and ensure universal coverage. As non-standard workers and the self-employed have been shown to be more open to mandatory coverage for social risks with a more universal character, such as healthcare, it could be worthwhile to create mandatory insurance schemes in a package, which combines sickness and healthcare insurance with coverage for work incapacity.

4.4 Pensions

Ageing societies across Europe put pressure on health and pension systems, combined with a shrinking workforce who finances those systems. Self-employed or non-standard workers face difficulties to access and to accrue pension entitlements, because their income is often too low to join a pension scheme or they have low participation rates in voluntary pension schemes. Even if self-employed or non-standard workers are covered, interruptions in careers and lower income can lead to inadequate pensions in old age.

Pension gaps depend on the national pension system and policies to extend coverage should be designed along the specific gaps in each country. In general, self-employed and non-standard workers have access to statutory pension schemes. However, certain work status types (casual, seasonal or temporary work) and minimum income thresholds exempt some groups. Both self-employed and non-standard workers also have more limited access to occupational pension schemes which in some countries provide substantial income in old age. For example, in the Netherlands, very few self-employed participated in voluntary occupational pension schemes due to high costs. A government agreement with social partners in 2019 addresses this pension gap by making this pension scheme mandatory.

Coverage for old age also depends on other factors, such as the support by spouses in self-employed activities, the universal or means-tested access to health or social care or whether a person lives alone.

The self-employed are also a very diverse group. Depending on the national context, coverage to supplementary pensions can be extended by creating tax or financial incentives for different income groups.

The risk of poverty in old age can be addressed by awareness raising and education. Many self-employed and non-standard workers worry about their access to and adequacy of pensions.⁹ Individuals can be helped by campaigns and provision of transparent information, such as pension calculators in Finland or advisors in Germany and Poland.

5 Reform process

5.1 Steps of the reform process

Reforming the system of access to social protection for non-standard workers and the self-employed is a complex process, not least because of the specific work situation of these groups. As a first step, the gaps in coverage have to be identified together with stakeholder interest groups and representatives of the self-employed and non-standard workers. Here, it is important to carry out a thorough analysis of the challenges faced to date and ensure that filling the gaps will indeed lead to the desired result; i.e. effective coverage of non-standard workers and the self-employed.

Second, the priorities of the reform should be clearly defined based on the identified gaps, and stakeholder engagement during this process is also considered crucial to ensure their endorsement and ownership. Good practice examples from other Member States or pilot projects should be considered when deliberating the various policy options, and whether a mandatory or voluntary approach is more suitable. Any possible unexpected effects of the foreseen reform should also be considered to avoid perverse outcomes during the implementation phase.

Third, a realistic proposal should be drawn up, on the basis of earlier discussions with all relevant stakeholders and interest groups. This should clearly define the chosen approach, i.e. voluntary versus mandatory approach, the means of financing, the level of benefits, as well as the monitoring and evaluation tools.

Fourth, an impact assessment should be carried out and the final policy proposal drafted. As the outcomes of the impact assessment may contradict earlier assumptions, it is important for policy makers and relevant stakeholders to remain in constant dialogue and be ready to fine-tune and adjust the proposal on an iterative basis.

At the fifth stage, the legislative process should start. Finally, once the legislation is passed, it is crucial to ensure continuous monitoring of the new measure(s) and carry out evaluations as foreseen.

Reform towards extending Jobseeker's Benefit to the self-employed in Ireland

The recent extension of unemployment benefits (Jobseeker's Benefit) to the self-employed can be considered a good example of involving the self-employed in the reform process and responding to their demands. In 2016, a survey commissioned by the Minister for Social Protection found that 88 % self-employed people would be willing to pay higher social insurance contributions in return for additional benefits. In a similar vein, 74% of respondents were interested in a system of voluntary extra

⁹ Codagnone, C., Lupiáñez-Villanueva, F., Tornese, P., Gaskell, G., Veltri, G., Vila, J., Franco, Y., Vitiello, Theben, A., Ortoleva, P., Cirillo, V. and Fana, M. (2018), Behavioural study on the effects of an extension of access to social protection for people in all forms of employment

contributions to access more benefits. Respondents reported low levels of coverage from private insurance, such as income continuance cover. Just 28 % are covered for long-term illness and only 2% for unemployment. The new scheme, introduced in November 2019, took these responses into account and extended the Jobseeker's Benefit to the self-employed. It is too early to draw any conclusions as to the extent to which the coverage of the self-employed has effectively increased. However, such identification of gaps early on in the reform process and in consultation with the self-employed ensured their buy-in and thus increased the likelihood of a successful reform.

5.2 Involvement of workers

Non-standard workers and the self-employed need to be aware of their rights and the importance of social protection. This can be provided by the inclusion of the topic in education, training and awareness raising campaigns.

Ensuring that the interests and needs of those workers are represented in policy reforms also depends on consultation partners and methods. Bodies and trade unions can present their members in government consultations, however forms of worker representation themselves need to be reconfigured in order to include and represent the interests of self-employed and non-standard workers. New forms of representation are already emerging, for example specialist unions representing certain professions, unions for the self-employed only, and recruitment of those workers (and/or non-standard workers) in mainstream unions.

Consultation processes need to start at the beginning of reforms. This can be achieved by involving social partners, but also individuals or focus groups. For example, in Denmark the above-mentioned reform of unemployment benefits was prepared by a task force from the Ministries of Finance, Taxation and Employment which was advised by social partners (Danish Confederation of Trade Unions and Confederation of Professionals in Denmark). In Spain, the process of developing measures to extend coverage of social protection that was launched in 2018 started with a dialogue with representatives of associations for the self-employed. This dialogue then resulted in the agreement to extend coverage in the branches of accidents at work and unemployment.

6 Conclusions and key messages

This workshop highlighted the fact that the EU's labour market and types of employment are rapidly changing. New forms of atypical and non-standard work (e.g. platform workers, on-call workers) are emerging and/or growing continuously. At the same time, many Member States are witnessing increased numbers of self-employed people. Yet, work-related social protection has been traditionally designed around the standard employment relationship, i.e. full-time and long-term contracts on the basis of a subordinate relationship between an employee and an employer.

As a consequence, social protection gaps for these groups have been identified in many Member States, particularly relating to access to sickness and unemployment benefits, protection against accidents at work and occupational diseases, as well as maternity benefits. Income levels are increasingly used to determine whether an activity can be considered 'work'; however, as the self-employed often only have a low income, particularly at the beginning of their activity, they do not reach the required income threshold. This leads to gaps in coverage, and even if coverage is granted, the self-employed often receive a very low level of benefits as a result of paying only low contributions.

Although social protection systems across the EU still have to be adapted further to the specific work situations of self-employed and non-standard workers, reforms have started to be implemented to this end, and many examples of extending formal coverage to social protection were discussed in this workshop.

By default, a mandatory approach to social protection is considered the best option also for the self-employed and non-standard workers, particularly in view of ensuring solidarity and adequate insurance coverage for all. Voluntary coverage has various shortcomings, including the risk that the lowest and highest earners will opt-out. However, an opt-in of the highest earners is important for the financial sustainability of the system and to maintain public trust. In exceptional circumstances, voluntary coverage can be an effective approach, for example as a way of introducing the self-employed to social protection. It has been evidenced that people are more willing to seek protection against some risks than others, such as old age, healthcare and unemployment. In light of this, providing mandatory insurance schemes in a package which includes coverage against other social risks, such as work accidents, could be an option.

It is crucial to consider the specific work situation of the self-employed and non-standard worker when deciding on the most suitable way of extending coverage and meeting their social protection needs. An important element in this regard is the need to take into account the individual's 'total' income, including assets. To enable this, closer cooperation between the tax authorities and social security services is needed. Furthermore, Member States see a clear need for awareness-raising activities to educate the self-employed and non-standards workers about the importance of coverage and provide them with an accurate cost-benefits assessment of such coverage.

