

# **Access of non-standard workers and self-employed to the unemployment benefits**

Mutual learning workshop on 'Access to Social Protection for vulnerable workers'

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**Nicola Duell**

[duell@economix.org](mailto:duell@economix.org)

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# I. New forms of work, labour market segmentation and social protection

New production models, flexibility in the labour market + technological development have led to:

- ❖ A variety of **non-standard forms of employment** (temporary, short tenure, small part-time, specific forms of contract, platform work)
- ❖ Various forms of **self-employment**, including solo self-employment, disguised / bogus / dependent self-employed: The **boundaries between dependent employment and self-employment** have become blurred.
- ❖ **Segmented labour markets**, new lines of segmentations (all skills levels)

# I. New forms of work, labour market segmentation and social protection

## → **Concerns about labour segmentation:**

- ❖ Limited mobility between different forms of employment, inefficiencies
- ❖ Concerns about social fairness
- ❖ Asymmetric distribution of gains and risks related to labour market flexibility
- ❖ Concerns about the vulnerability and lacking social protection

→ **Council Recommendation on access to social protection** for non-standard workers and self-employed (formal coverage, effective coverage, adequacy, transparency)

## II. Purpose of unemployment benefit schemes

- ❖ Temporary social protection from job/income loss
- ❖ Efficient labour markets (to minimise skills mismatch)
- ❖ Mitigate risks associated with flexibility
- ❖ Countercyclical

### III. Coverage gaps

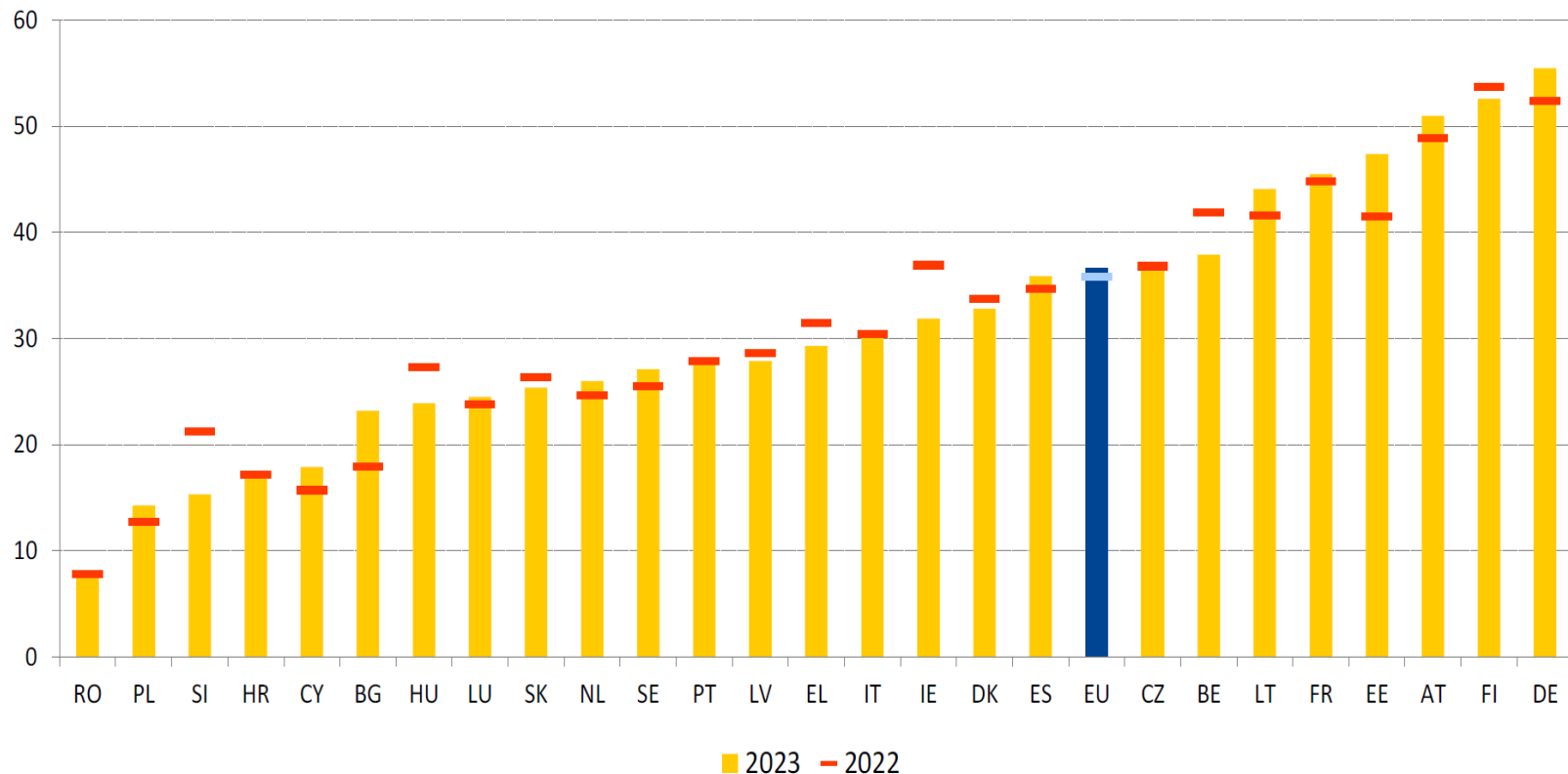
- More pronounced for unemployment benefits than other social protection branches
  - ❖ In particular for self-employed

## *Examples of coverage gaps for non-standard workers*

- Marginal part-time workers (AT, DE)
- Specific contracts: consumer contract workers, domestic workers, contracts for specific tasks or jobs (LT, SI, CZ, PL)
- Multi-period part-time workers (IT),
- Intermittent, on-call workers (IT)
- Casual workers (PT, RO)
- Seasonal workers (LV, PT, RO)
- Apprentices and trainees (EL, FR, IT, NL, PL)

→ Voluntary schemes may be in place

# Unemployment benefit coverage rates for the short-term unemployed (less than 12 months, 15-64), in %



*Note:* Data are not available for MT. Definition differs for ES and FR (see metadata). Break in the series for DK and CY. Low reliability for LU and SI.

*Source:* Eurostat [[lfsa\\_ugadra](#)], EU LFS.



## *Key findings on coverage of self-employed*

- **Mostly voluntary schemes**
  - ❖ In practice self-employed are **only seldomly** contributing voluntarily to an unemployment benefit scheme
- **Some socio-professional groups have specific mandatory schemes** (e.g. artists in DE)
- **Means-tested schemes** in some countries; issue of non-take up

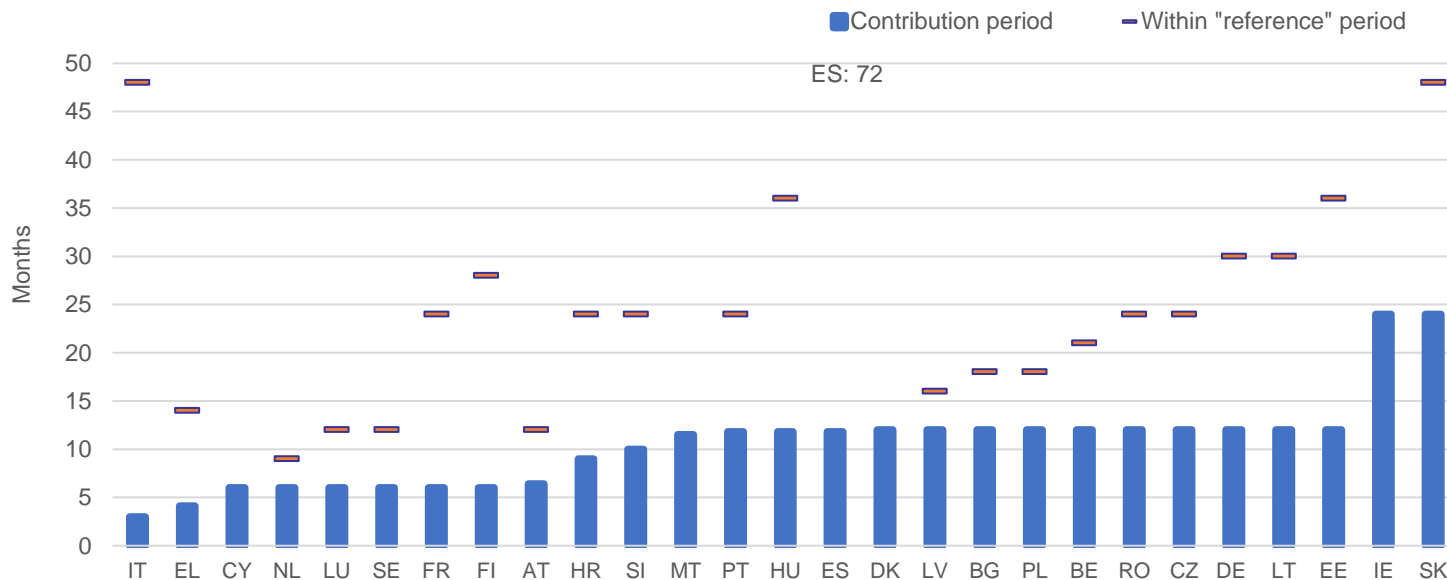
## IV. Issues for the design of unemployment benefits (1)

- Designed to protect from risk of ending **employment relationship** (-> bogus / „quasi“ self-employment / “quasi” employees?)
- **Protecting low-income workers** and level of **adequacy** of unemployment benefits (in case of short tenures, small part-time jobs)
  - ❖ Income level
  - ❖ Minimum length of employment/contribution
  - ❖ Reference period

# Issues for the design of unemployment benefits (2)

- Setting incentives to take-up work
- Minimum previous work history (qualifying, reference period)

## Qualifying periods for employees to access unemployment benefit schemes (in months)



Source: MISSOC, 1st July 2024

## Issues for the design of unemployment benefits (3)

- Effectiveness: **coverage and take-up**
- **Design of contributions** (avoid or reduce double burden for economically dependent self-employed?)
- The role of unemployment benefit allowances and **means-tested minimum income**

# Issues for implementing unemployment benefit schemes with widened coverage

- Measuring job loss (=income loss for self-employed)
- How to measure involuntary job / income loss?
- Voluntary choice of employment form and thus risk? How to measure that risk compensation is adequate?
- Behavioural issues: How to measure job-search / income opportunity search activities?
- How to avoid undeclared and under-declared work?

# V. Progress made in extending coverage - for non-standard workers

## During Covid-19

Examples of temporary changes made to unemployment benefit (UB) schemes during the COVID-19 pandemic

Shortening qualifying period, increasing coverage	Coverage increased to non-standard workers	Other measures that might improve access and adequacy for non-standard workers*
FI, FR, ES, SI	FR, ES, HR, RO	IE, SE, PT, FI

## After Covid-19

- Improve access to trainees or apprentices (ES, PT)
- Improve access to domestic workers (ES, PT)
- Access to unemployment benefits for workers with a short contribution and employment history have been improved (IT, ES, EE, LT, DE, CZ, SE)
- Improving coverage of artists has been on the agenda in several countries
- **Stricter:** length of contribution (FI, FR, LV)

# Progress made in extending coverage - for self-employed

## During COVID-19

- Mainly changes of eligibility requirements in the means-tested scheme (DE)
- Support for specific occupations and sectors

## After Covid-19

- Lowering income thresholds to access scheme (FR)
- Extend coverage for self-employed artists/entertainment (IT, ES)
- Insured against large drops in income (IT)
- Reform of contribution calculation (ES)
- Improved flexibility to combine several incomes, bridging rights for self-employed (BE)

## VI. Conclusions (1)

- Recent improvements in several Member States
- Changes during Covid-19: temporarily expanding coverage, often occupation, sector-bound, still less advantageous for self-employed.
- After Covid: mainly regulation regarding previous work history requirements, specific work contracts, certain categories of workers (e.g. domestic workers), certain occupations and sectors (agriculture, entertainment and culture).



## VI. Conclusions (2)

- But: mostly not been aimed at easing transition between self-employment and dependent employment, or between short-term and long-term employment relationships.
  - ❖ Introduction of a flexible employment account (Denmark)
- Some measures indirectly affect coverage, such as efforts to combat undeclared work; activities to reduce bogus self-employment.
- Results: light improvement in coverage of short-term unemployed. Limitations: non-coverage cannot be measured in all countries, limited comparability