

Flexibilisation of working arrangements

The return of precariousness and working poor?

Dr. Alberto Barrio

WorkYP project

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In-work poverty

- In 2018, almost one worker in ten in Europe was considered at risk of poverty.
- Over the last decade, this proportion has increased significantly, boosted by the economic crisis, from an average of 8% in 2006 to 9.4% in 2018 in the EU area.
- The prevalence of in-work poverty ranges from lows of 4-5% in countries like Belgium, the Czech Republic, Denmark and Finland to highs of up to 17% in Romania.

In-work poverty in selected EU countries

	CLUSTER	AROPE TOTAL	AROPE WORKING	AROPE SELF-EMPLOYED	AROPE EMPLOYEES
EU	/	16,5%	9,6%	22,2%	7,4%
BE	Continental	19,4%	6,2%	13,8%	3,8%
DE	Continental	17,4%	8,4%	23,7%	4,2%
IT	Southern	20,3%	12,3%	19,5%	10,1%
LU	Continental	20,6%	12,3%	22,5%	13,2%
PL	Post-socialist	18,2%	10,7%	28,5%	5,3%
SE	Nordic	18,8%	8,3%	18,3%	5,7%
NL	Continental	16,5	6,4%	16,7%	4,4%

In-work poverty in non-standard work

Employees in low-wage sectors

	BE	DE	IT	LU	PL	SE	NL
SHARE	7,9%	16,5%	10,4%	9,5%	8,3%	7,5%	14,4%
IWP	4,8%	14,4%	14,3%	19,6%	5,4%	8%	4,4%

Solo self-employed

	BE	DE	IT	LU	PL	SE	NL
SHARE	7,8%	5,3%	13,5%	2,3%	14,3%	-	13 %
IWP	15%	24,6%	18,6%	13,6%	28,9%	24,3%	14,3%

Flexible employees (i.e. part-time, fixed term and temporary agency workers)

	BE	DE	IT	LU	PL	SE	NL
SHARE	12,8%	18,2%	15,8%	12%	16,6%	12,2%	22,5%
IWP	11,3%	15,5%	21,5%	24,4%	-	19,5%	6,9%

Flexible working arrangements

Fixed-term employment

Involuntary part-time employment

Temporary agency work

Solo self-employment

Low-wage sectors

Platform work

Fixed-term employment

Challenges

- Risk of periods of inactivity, which may limit effective access to social security.
- Potential challenges for collective organisation.

Approaches

- Incentives to companies (i.e. reductions in social security contributions) for conversion into open-ended contracts.
- Right of priority (e.g. Italy)

Involuntary part-time employment

Challenges

- Low earnings and social security benefits.
- Limited effective access to (labour-related) social security benefits.
- Potential exclusion from formal coverage due to marginal character of work.
- Risk of periods of inactivity, which may limit effective access to social security.

Approaches

- Adapted eligibility requirements for access to social security benefits.
- Provisions on equal working conditions with full-time workers.
- Protected temporary reduction of working time.

Temporary agency work

Challenges

- Similar challenges than for fixed-term and part-time work.
- Potential additional challenges for collective organisation due to high rotation.

Approaches

- Adapted eligibility requirements for access to social security benefits.
- Collective agreements targeted specifically to temporary agency work.
- Provisions on equal working conditions with non-temporary agency workers.
- Availability allowance (e.g. Italy).

Solo self-employment

Challenges

- Limitations in formal access to social security.
- Low adoption rate of voluntary protection.
- Low benefits due to difficulties in measuring earnings.
- Restrictions in collective bargaining.
- No minimum wage.
- Question of decreasing cost of access to self-employment.

Approaches

- Progressive extension of the scope of social security schemes.
- Increasing collective organisation.
- Reductions in social security contributions.

Additional challenges due to work in low-wage sectors

Challenges

- Low social security benefits (if benefits are related to contributions).
- High burden of social security contributions.

Approaches

- (Statutory) minimum wage.
- Service vouchers (e.g. Belgium).
- In-work benefits (e.g. '80 euro bonus' in Italy, 'social work bonus' in Belgium).
- Reductions in social security contributions for certain groups.
- Social-fiscal measures.

Platform work: definition

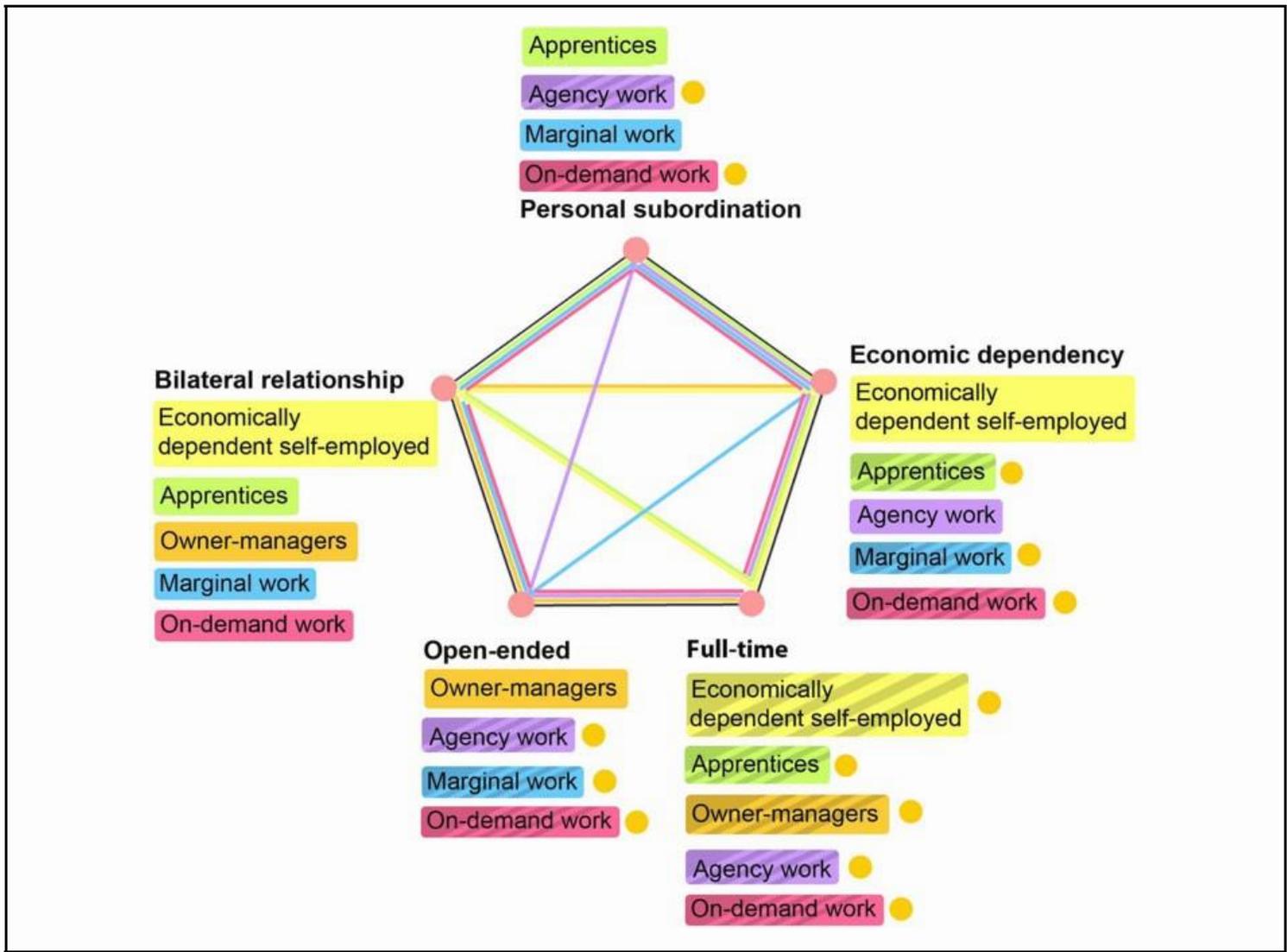
Platform workers may be defined as

“persons selected online from a pool of workers through the intermediation of a platform to perform personally on-demand short-term tasks for different persons or companies in exchange for income”

Platform work: features

Social security systems are typically based on
Subordinate employment
Stable employment
Open-ended employment
Full-time employment
Performed from a location set by the employer

Features of platform work
Intermediation of online platforms
On-demand character
Short-term tasks
Short-term tasks
Potential flexibility concerning location



Schoukens, P. and Barrio, A., 'The changing concept of work: When does typical work become atypical?', *ELLJ*, Vol. 8(4), 2017, p. 314.

Situation in selected EU countries

Spain

- **Formal access** to social security no matter status.
- **Effective and adequate access vary** with different status.
- **Active efforts** to tackle platform economy.

France

- **Formal access** to most social security no matter status.
- **Effective and adequate access vary** with different status.
- **Active efforts** to tackle platform economy.
- **Complicate** system.

The Netherlands

- **Some uncertainty** still on the status of platform workers.
- Use of **temporary agency, self-employment** and **part-time work** quite extended.
- **Universal coverage** of some schemes (such as pension) and minimum benefits soften extremes.
- Steps to **improve coverage** of the **self-employed** during the **pandemic**.

United Kingdom

- **Strict demarcation** of 'employee' status.
- **Self-employed excluded** from many schemes.
- **Temporary** steps to improve **coverage** of the **self-employed**.

Germany

- **Self-employed excluded** from many schemes. But with many **exceptions**.
- Different treatment of **casual employment** (mini-jobs).
- **Unclear** how it applies to platform work yet.

Platform work: challenges and approaches

Challenges

- Often uncertainty on employment status, or whether an activity is ‘work’.
- Lack of clarity on the meaning of key concepts for their social security position.
- Marginal employment.
- Challenges to formal, effective and adequate access.

Approaches

- Presumption of employee status.
- Obtention of data on earnings and work performed.

The next echelon: In-work poverty of a household with flexible workers

- Combination of contributory social security and universal schemes, minimum income, family benefits, traditional social assistance schemes and socio'fiscal measures.
- Great diversity among countries in taking into account household composition for social security schemes.
- Challenges in measuring in-work poverty.

Conclusion

- In-work poverty is a policy failure.
- Challenges to transparency as in legal certainty.
- Challenges to transparency as in legal clarity.
- Challenges to inclusion as in formal, adequate and effective social security coverage.

