

Working conditions and sustainable work

# Self-employment in the EU: Job quality and developments in social protection





# Self-employment in the EU: Job quality and developments in social protection



**When citing this report, please use the following wording:**

Eurofound (2024), *Self-employment in the EU: Job quality and developments in social protection*, Publications Office of the European Union, Luxembourg.

---

**Authors:** Tina Weber, Franz Ferdinand Eiffe and Dragoş Adăscăliţei (Eurofound)

**Research manager:** Tina Weber

**Research project:** Analysis of self-employment based on the European Working Conditions Telephone Survey data and policies addressing the challenges associated with specific types of self-employment, including an assessment of evaluations of these policies

**Provider:** Network of Eurofound Correspondents (see Annex 2)

---

**Luxembourg:** Publications Office of the European Union, 2024

**Print:** ISBN 978-92-897-2370-1      doi:10.2806/132752      TJ-02-23-116-EN-C

**PDF:** ISBN 978-92-897-2371-8      doi:10.2806/350964      TJ-02-23-116-EN-N

This report and any associated materials are available online at <https://eurofound.link/ef23004>

© European Foundation for the Improvement of Living and Working Conditions, 2024

Reproduction is authorised provided the source is acknowledged.

For any use or reproduction of photos or other material that is not under the Eurofound copyright, permission must be sought directly from the copyright holders.

Cover image: © Nejron Photo / Adobe Stock

Any queries on copyright must be addressed in writing to: [copyright@eurofound.europa.eu](mailto:copyright@eurofound.europa.eu)

*Research carried out prior to the UK's withdrawal from the European Union on 31 January 2020, and published subsequently, may include data relating to the 28 EU Member States. Following this date, research only takes into account the 27 EU Member States (EU28 minus the UK), unless specified otherwise.*

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.

**European Foundation for the Improvement of Living and Working Conditions**

**Telephone:** (+353 1) 204 31 00

**Email:** [information@eurofound.europa.eu](mailto:information@eurofound.europa.eu)

**Web:** <https://www.eurofound.europa.eu>

# Contents

	<b>Executive summary</b>	<b>1</b>
	<b>Introduction</b>	<b>3</b>
	Heterogeneity among the self-employed and the rise in more vulnerable groups	3
	Policy context	5
	Structure of the report	6
<b>1.</b>	<b>Self-employment in the EU</b>	<b>7</b>
	Trends in self-employment	7
	Changes in sectors, occupations and education among the self-employed	9
	Key takeaways	12
<b>2.</b>	<b>Profiling the self-employed during the pandemic</b>	<b>13</b>
	Types of self-employment	13
	Socioeconomic composition of self-employed groups	16
	Roles	17
	Working hours	18
	Place of work	19
	The self-employed and ‘COVID groups’	20
	Key takeaways	21
<b>3.</b>	<b>Self-employment and job quality during the pandemic</b>	<b>23</b>
	Job quality of the self-employed	23
	Outcomes and sustainable work	27
	Financial sustainability	27
	Work engagement	29
	Health and well-being	29
	Key takeaways	31
<b>4.</b>	<b>Income support measures for the self-employed during the pandemic</b>	<b>33</b>
	Immediate financial impact of the pandemic on the self-employed	33
	Concerns about future job security and life satisfaction	35
	Income protection for the self-employed	36
	Other support measures for the self-employed	41
	Key takeaways	43
<b>5.</b>	<b>Social protection for self-employment: Lessons from the pandemic for policy</b>	<b>45</b>
	Increased coverage of the self-employed by national social protection systems: Recent developments	45
	National policy debates in the aftermath of the pandemic	51
	Key takeaways	57
<b>6.</b>	<b>Social protection for platform workers</b>	<b>59</b>
	Platform work and the issue of miscategorisation	59
	Scale of the platform economy in the EU	59
	Initiatives to improve social protection for platform workers	61
	Key takeaways	66
<b>7.</b>	<b>Conclusions</b>	<b>67</b>
	<b>References</b>	<b>69</b>
	<b>Annexes</b>	<b>73</b>
	Annex 1: Income support measures for the self-employed in the EU Member States	73
	Annex 2: Network of Eurofound Correspondents	77



# Executive summary

## Introduction

The COVID-19 pandemic gave new impetus to the debate about access to social protection for the self-employed, as it highlighted gaps in formal and effective coverage as well as its adequacy. In 2021, there were formal coverage gaps for at least one group of self-employed people in at least one branch of social protection in 19 Member States. Gaps are most common in unemployment benefits (16.8 million people, or more than half of around 28 million self-employed in the EU, lack coverage), followed by sickness benefits (5.3 million people are not covered) and benefits linked to accidents at work and occupational diseases (4.2 million people are not covered).

A lack of social security coverage contributed to the self-employed suffering financially more than employees during the pandemic. This was despite unprecedented interventions by governments to offer income support and increased access to social protection, including to the self-employed. This was made necessary by the absence of (or insufficient) coverage of the self-employed by contributory schemes. Many of these initiatives were temporary, but they nonetheless served to reignite the debate about the extent of social protection coverage for the self-employed. This discussion had already gathered momentum before the pandemic, largely because of the emergence of forms of self-employment sharing characteristics with dependent employment, especially in the platform economy, and also owing to more frequent changes in status and to the combination of employment and self-employment becoming more common.

While most self-employed people enjoy good working conditions, autonomy and good earning potential, the policy debate has increasingly focused on the most vulnerable, and in particular on people in false and bogus self-employment.

## Policy context

To address gaps in social protection, in 2019 the Council of the European Union adopted a recommendation on access to social protection for workers and the self-employed. Also relevant is the European Commission's December 2021 proposal for a directive on improving working conditions in platform work, as it seeks to clarify the employment status of platform workers by establishing legal criteria for distinguishing between employed and self-employed status. Furthermore, guidelines clarifying the application of EU competition law to collective bargaining by solo self-employed people were adopted in 2022.

## Key findings

- The proportion of self-employed workers in the EU has not increased since the start of the 21st century, and between 2010 and 2022 it fell from 15.4% to 13.7%. This reduction was primarily driven by falling self-employment among men and the imbalance between labour market exits among older self-employed workers and the creation of new self-employment.
- Data from the European Working Conditions Telephone Survey (EWCTS) of 2021 show that 18% of self-employed people with employees and 13% of solo self-employed people had more than one job during the pandemic.
- In 2021, 9% of the solo self-employed were dependent on just a few clients, had little or no autonomy over the running of their business and could therefore be classified as economically dependent. Solo self-employed women were more than twice as likely to be economically dependent than their male counterparts.
- EWCTS data confirm that dependent self-employed people are less likely to have autonomy over how and when they do their job. In this regard, they are in a similar situation to employees. They were the group of workers least likely to receive training on the job, least likely to consider that their job offered good career prospects and most likely to be in strained jobs (jobs with more demands than resources).
- EWCTS data show that economically dependent self-employed people were twice as likely as employees to indicate having difficulties in making ends meet. Such differences stem partly from the high share of self-employment in the sectors worst affected by the pandemic. However, they also result from differences in social protection coverage and pandemic relief measures, even if the share of self-employed benefiting from such relief measures was high, as they were overrepresented in badly affected sectors.
- The introduction of income protection and the expansion of access to social protection for the self-employed were features of governments' pandemic responses. However, in most cases, eligibility criteria were more restrictive and levels of support lower than those for employees. Income support measures for the self-employed were generally introduced later and phased out earlier than those for employees. Self-employed people were therefore more likely to rely on personal assets, family members or social assistance.

- Financial insecurity contributed to lower life satisfaction among the self-employed (and the solo self-employed in particular) than employees, reversing the situation during non-pandemic times, according to European Social Survey data. Furthermore, mental health declined more among self-employed people.
- With regard to health and well-being, economically dependent self-employed workers were the most disadvantaged among the self-employed. They scored above average for at least six categories of health problems, notably exhaustion and risk of depression. Economically dependent solo self-employed women were particularly badly affected.
- For self-employed people, there is no formal (compulsory) coverage for unemployment in 11 Member States, for sickness in 5 Member States and for accidents at work in 14 Member States. Effective coverage is low, as many self-employed people have low or intermittent incomes and therefore do not qualify for benefits; if they do, benefits are often inadequate due to low contributions.
- The pandemic experience helped to put the inclusion of more self-employed people in social protection systems on the policy agenda. Nine countries have expanded the coverage of certain benefits to (a wider group of) self-employed people in the past six years; six more countries are planning such measures.
- Access to social protection has also been improved by changes to criteria used to determine self-employment status. In some countries, a ‘third worker’ category now applies to those whose situation falls between employment and self-employment. In others, legislative change and case law have altered criteria for distinguishing between employed and self-employed status, often in the context of platform work.

## Policy pointers

- Some self-employment is characterised by low and intermittent incomes and high financial insecurity, often combined with poor working conditions and prospects. For these workers, an appropriate safety net is needed to cushion the risks associated with self-employment. This may require a strong and sustainable system (partly) based on contributions that recognises the specific nature of self-employment.
- The boundaries between self-employment and employment are blurring. Many self-employed workers, especially those who depend on one or a limited number of clients and whose autonomy and ability to set prices is restricted, find themselves in a situation akin to employment. This trend, strengthened by the growth in platform work, means that the criteria for determining employment status need to be clarified. Opportunities to abuse the status of self-employment need to be removed by addressing false and bogus self-employment.
- Member States have already begun to broaden access to social protection for the self-employed. However, differences remain between groups of self-employed workers and between the self-employed and employees. This should be addressed to ensure not only formal but also effective and adequate coverage, while avoiding disincentives to the creation of high-quality self-employment. Greater transparency and simplification could also increase take-up rates.
- Lessons should be drawn from the experience of the pandemic to improve social protection systems and plan for any future extraordinary income support measures. This includes the importance of appropriate eligibility criteria, of removing bottlenecks in the dispensation of funds, of early implementation of support measures, and of sufficient awareness raising and transparency.



# Introduction

In recent years, and especially against the backdrop of the COVID-19 pandemic, policy discussion on access for self-employed people to social protection in the event of unemployment, sickness, disability or other risks or life events has intensified. Historically in the European Union (EU), systems of employment and social protection have largely been built around a binary divide between employment and self-employment, with dependent employment serving as the basis for many entitlements. The exclusion of the self-employed from social protection systems – or their participation in such systems on a voluntary rather than a compulsory basis – is based on the expectation that entrepreneurial risk is voluntary. There is the possibility of significant rewards and a high degree of autonomy but also a need to make one's own provisions for risks and life events such as business failure (and associated income loss), sickness and retirement. As a result, social protection for the self-employed is often less comprehensive than that for employees and can be more costly for the worker because there is no cost sharing between employer and employee.

Social protection arrangements vary significantly across EU Member States. They are often complex, as not only are there generally a number of different schemes in the same country but also the schemes frequently have varying eligibility criteria and benefit levels for different categories of self-employed people (such as freelancers, self-employed workers in the liberal professions, farmers, and self-employed people with employees), which can deviate significantly from entitlements available to employees (Spasova et al, 2017).

In general, self-employed people have access to two types of social protection systems.

- Both self-employed workers and employees (as well as the non-working population) tend to have access to statutory non-insurance-based systems, such as universal schemes (for example, family benefits and certain healthcare benefits) and certain means-tested schemes (for instance, social assistance and some basic old-age pensions).
- In some cases, self-employed people have access to insurance-based (contributory) systems, such as statutory healthcare; old-age pensions; maternity, paternity and parental benefits; and invalidity schemes. However, self-employed people are more likely to be excluded from some key insurance-based schemes, such as unemployment, sickness and occupational injury or accident benefits. Some countries allow self-employed people to opt in to (or indeed opt out of) these schemes, and take-up is generally low (Schoukens, 2022; European Commission, 2023a).

## Heterogeneity among the self-employed and the rise in more vulnerable groups

The main policy concerns relate to more vulnerable self-employed individuals – a concept that currently lacks a consistent definition (see Box 1).

### Box 1: Vulnerable self-employed people: Eurofound research

In a previous analysis, Eurofound distinguished between five clusters of self-employed people (Eurofound, 2017). According to the research, nearly half of all self-employed people are 'employers' and 'stable own-account workers'. They generally are economically independent, have autonomy over their work, enjoy good working conditions and chose self-employment as their preferred form of work. Two other clusters identified – 'vulnerable' and 'concealed' self-employed workers – are characterised by economic dependence, a low level of autonomy and financial vulnerability. They comprise the dependent and 'bogus' self-employed workers accounting for nearly a quarter of all self-employed people. The remaining quarter is made up of 'small traders and farmers', whose situations are more diverse.

The term 'bogus self-employment' underlines the intention to circumvent labour, tax and social security rights and regulations, with a view to reducing costs and avoiding payments and obligations. The economic dependence of a worker on one client/employer, in contrast, could be an accidental situation rather than a deliberate attempt to mislead (Eurofound, 2017).

Following on from the 2017 analysis, Eurofound used quantitative EU-level data to arrive at a method of defining and assessing vulnerability among the self-employed (Eurofound, 2021a). The researchers used European Union Labour Force Survey (EU-LFS) data to formulate four binary criteria: economic interdependency (having more than one client and no dominant client); influence over price setting (not having reported a lack of influence over

price setting as the main difficulty); working time autonomy (client does not decide working hours); and job autonomy (individual has autonomy over content and/or order of tasks). According to the report, nearly 62% of solo self-employed people meet all these criteria and are therefore not vulnerable. Around 28% do not meet precisely one of the criteria, and 38% do not meet at least one of the four criteria (cumulative percentage). Only 2% do not meet three of the criteria, and only 0.1% do not meet all four criteria. Solo self-employed women, younger people (aged 15–29) and blue-collar workers in elementary occupations are less likely to meet the four criteria.

Expanding on the analysis discussed above, European Working Conditions Survey data for 2015 were then used to distinguish different groups of self-employed people to identify the more vulnerable ones based on the characteristics listed below.

- They have more than one client.
- Their most important client accounts for less than 75% of their total revenue.
- They can influence decisions important for work ‘most of the time or always’.
- Their working hours are not entirely determined by the company or organisation.
- They find it very or fairly easy to take time off.
- Job autonomy scores higher than the average for employees.

When these criteria are analysed in relation to other potential indicators of vulnerability, such as poor job quality, it can be seen that the higher the number of criteria not met, the higher the percentage of involuntary self-employment. Those who indicated that they had no influence over price setting and could not easily take time off were more likely to state they had no financial security in times of illness. Perceived lack of job security and perceived inability to find a similar job in case of job loss were also linked to the above criteria not being met. In terms of financial security, having only one client appears to have a substantial negative impact on net monthly earnings from the main job. On the other hand, having only one client does not appear to be associated with lacking the ability to make ends meet after controlling for other factors. The fact that the ability to make ends meet takes account of household rather than individual income is a factor explaining this last finding.

Most self-employed people enjoy good working conditions and job quality (Eurofound, 2017). However, self-employment is not always chosen; sometimes it is entered into due to a lack of alternatives. This is more likely to be the case during periods of economic crisis (Vegetti and Adăscăliței, 2017). One in five self-employed workers chose self-employment because they could not find a job as an employee.

The call for better social protection for the self-employed is based on several factors, including an above-average proportion of self-employed people, and in particular solo self-employed people, among individuals at risk of poverty and social exclusion (Horemans and Marx, 2017; Spasova et al, 2017). Furthermore, there has been an emphasis in the debate on the increased blurring of the boundaries between employment and self-employment: people tend to change status more frequently today, and they are more likely to combine employed and self-employed statuses; in addition, forms of self-employment have emerged that are akin to dependent employment (Eurofound, 2017; Schoukens, 2020; Hiessl, 2022; ELA, 2023).

While to some extent the expansion in solo self-employment is driven by trends towards outsourcing, with companies aiming to transform fixed costs into variable costs and pushing for greater numerical flexibility in terms of staffing, demand for flexibility has

come from employees as well as employers, with such forms of work offering a low threshold for entry into the labour market or access to a second job. Changes in the structure and nature of self-employment are also due to the increasing use of new technologies and the rise in platform work and project work models, which have led to an increase in solo self-employment, as well as bogus or dependent self-employment (Hofbauer et al, 2020). These types of self-employment are often characterised by low income, high financial insecurity, lack of employment protection and bargaining rights, and limited access to social protection (ILO, 2017), and workers in these forms of self-employment were particularly badly affected by the COVID-19 pandemic and related public health measures (Eurofound, 2021b). Restrictions on collective bargaining rights for the self-employed, which are linked to competition law, and the limited degree of representation of the self-employed by trade unions further serve to weaken the position of individuals in such situations (Eurofound, 2022a).

This greater heterogeneity in self-employment has fuelled the debate on the need to extend more branches of social protection to the self-employed. The impact of the pandemic served to further accelerate this discussion, since many self-employed people affected by the partial or complete shutdown of certain

economic activities found that their livelihoods were in peril; during the pandemic, many self-employed people also found that they were without income or protection if they became ill or had to care for children when schools were shut down. As a result, the pandemic saw an unprecedented (temporary) expansion of support measures for the self-employed.

## Policy context

In 2019, the Council of the European Union adopted a recommendation on access to social protection for workers and the self-employed (Council of the European Union, 2019) stipulating that all workers and the self-employed in the EU should have the right to adequate social protection. The recommendation was adopted in line with principle 12 of the European Pillar of Social Rights, which states that ‘regardless of the type and duration of their employment relationship, workers, and, under comparable conditions, the self-employed, have the right to adequate social protection’ (European Commission, 2017). Ensuring adequate social protection coverage will be an important element in meeting the target of reducing the number of people at risk of poverty or social exclusion by at least 15 million by 2030. In the European Pillar of Social Rights Action Plan, the European Commission highlights that the exceptional measures taken during the COVID-19 pandemic to expand social protection to groups that had previously been excluded could be a source of inspiration for structural reforms to increase protection for the self-employed (European Commission, 2021a).

The 2019 Council recommendation addresses four dimensions of social protection: formal coverage, effective coverage, adequacy and transparency. With regard to the formal coverage of the self-employed, the recommendation asks that coverage be extended to all workers on a mandatory basis, regardless of the type of employment relationship, and to self-employed people at least on a voluntary basis and where appropriate on a mandatory basis. Paragraph 19 of the recommendation asks Member States to submit a plan setting out measures to be taken at national level by 15 May 2021. The Commission published its analysis of the national implementation plans in January 2023 (European Commission, 2023b). A monitoring framework was set up, which includes indicators to measure the four dimensions specified in the recommendation.

The first monitoring process looking at the implementation of the 2019 Council recommendation found that, in 2021, there were formal coverage gaps for

at least one group of self-employed people in at least one of the branches of social protection mentioned in the recommendation in 19 Member States (European Commission, 2023b; Schoukens, 2022). Unemployment benefits are the branch of social protection where gaps are most likely to be present (an estimated 16.8 million self-employed people lack coverage), followed by sickness benefits (5.3 million self-employed people lack coverage) and benefits linked to accidents at work and occupational diseases (4.2 million self-employed people lack coverage) (European Commission, 2023a).<sup>1</sup> All Member States have some type of coverage of old-age and invalidity benefits for self-employed people, but some groups of self-employed people have to opt in to (or can opt out of) such systems. In some cases, voluntary access applies only to supplementary schemes, whereas basic schemes are mandatory. The available data indicate that the level of take-up of voluntary schemes by self-employed people and the level of coverage of self-employed people by voluntary schemes are often low, contributing further to gaps in protection.

The Commission also monitors social protection issues as part of the European Semester. In 2020, with the aim of mitigating the social impact of the pandemic, the Commission recommended that nine Member States (Cyprus, Estonia, Italy, Lithuania, the Netherlands, Poland, Portugal, Slovenia and Spain) improve social protection coverage for non-standard workers and self-employed people, and in 2022 one Member State (the Netherlands) received a country-specific recommendation on areas covered by the 2019 Council recommendation and specifically relating to the self-employed.

Relevant to this discussion is the proposal for a directive on improving working conditions in platform work, published by the Commission in December 2021, as it seeks to clarify the employment status of platform workers by establishing criteria aimed at clarifying the distinction between employed and self-employed status, which would be required to be implemented in national law (European Commission, 2021b). At the same time, the Commission also issued draft guidelines on the application of EU competition law to collective agreements regarding the working conditions of solo self-employed people; following consultation, these guidelines were adopted in 2022. They seek to clarify the applicability of EU competition law to collective bargaining by solo self-employed workers to ensure that certain self-employed people with little control over their working conditions can enter into collective agreements to improve them.

<sup>1</sup> These data do not cover all Member States where self-employed people do not have access to these branches of social protection, and reference years vary across Member States.

## Structure of the report

The purpose of this report is to provide up-to-date information on the situation of the self-employed during the COVID-19 pandemic, in terms of its impact on their employment and working conditions and the income support measures available to them. It discusses recent and planned changes in the coverage of self-employed people for unemployment, sickness and accidents at work – including changes that take on board lessons learned from the pandemic experience – and expands the discussion to cover the status and social protection of platform workers.

Relying largely on EU-LFS data, Chapter 1 provides an overview of trends in self-employment in the EU, including developments in its sectoral and occupational distribution. Combining EU-LFS data with data from the European Working Conditions Telephone Survey (EWCTS) of 2021, Chapter 2 sets out the characteristics of different groups of the self-employed during the pandemic, comparing self-employed workers with employees, and the solo self-employed and dependent

self-employed with employees. Chapter 3 uses EWCTS data to analyse the job quality of different groups of self-employed people during the pandemic. Chapter 4 uses national and transnational research, as well as contributions from the Network of Eurofound Correspondents, to shed further light on the experiences of self-employed people during the pandemic, assessing the financial impact of the crisis and examining measures introduced by governments with the aims of limiting income loss and maximising business survival rates. Chapter 5 explores the lessons from the pandemic and initiatives taken or planned at Member State level to further expand social insurance coverage to the self-employed, focusing on unemployment benefits, sickness benefits and benefits linked to accidents at work. Chapter 6 looks at the situation of platform workers in terms of social protection coverage, necessarily touching upon recent changes in the criteria for determining employed and self-employed statuses, and Chapter 7 offers conclusions.

# 1 Self-employment in the EU

## Trends in self-employment

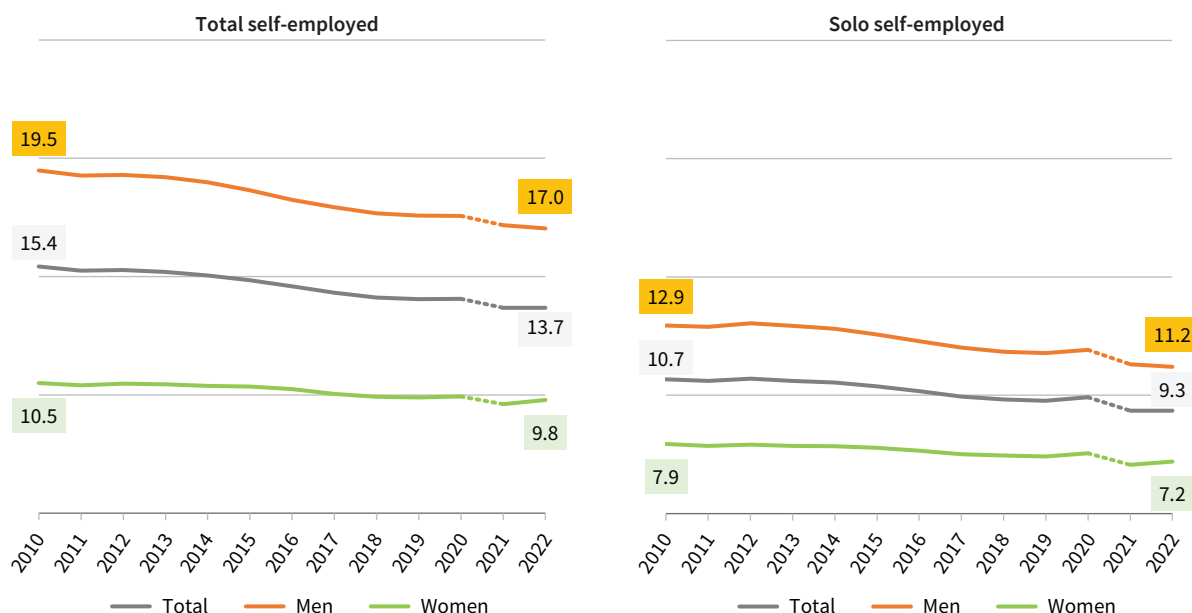
The proportion of self-employed workers in the EU Member States has not increased since the beginning of the 21st century (Eurofound, 2017), and it declined further between 2010 and 2022. According to the EU-LFS, the proportion of self-employed people aged between 15 and 74 in the employed labour force was 15.4% in 2010 and, following a period of stability between 2011 and 2013, it continuously fell until 2022, when it reached its lowest value of 13.7% (Figure 1). When interpreting these data, it must be kept in mind that the EU-LFS underwent a major revision in 2021 based on Regulation (EU) 2019/1700 (Eurostat, undated). However, although the changes resulting from this revision varied across countries, overall they were not expected to cause significant breaks in the time series at EU level. Furthermore, Eurostat and national statistical institutes took measures to correct for breaks in the time series (Eurostat, 2022).

The decrease in self-employment was more pronounced among men, with an overall reduction of 2.5 percentage points between 2010 and 2022, compared with 0.7 percentage points among women.

The change in the proportion of solo self-employed people is in line with this trend. The share of solo self-employed among all employed people aged 15–74 decreased from 10.7% in 2010 to 9.3% in 2022. Again, this was mainly driven by men, with an overall decrease of 1.7 percentage points. While it cannot be ruled out that the dip in 2021 was caused by a break in the time series, research suggests that this reduction was linked to a significant extent to the impact of the COVID-19 pandemic (see, for example, Bruegel, 2021; Reuschke and Zhang, 2022).

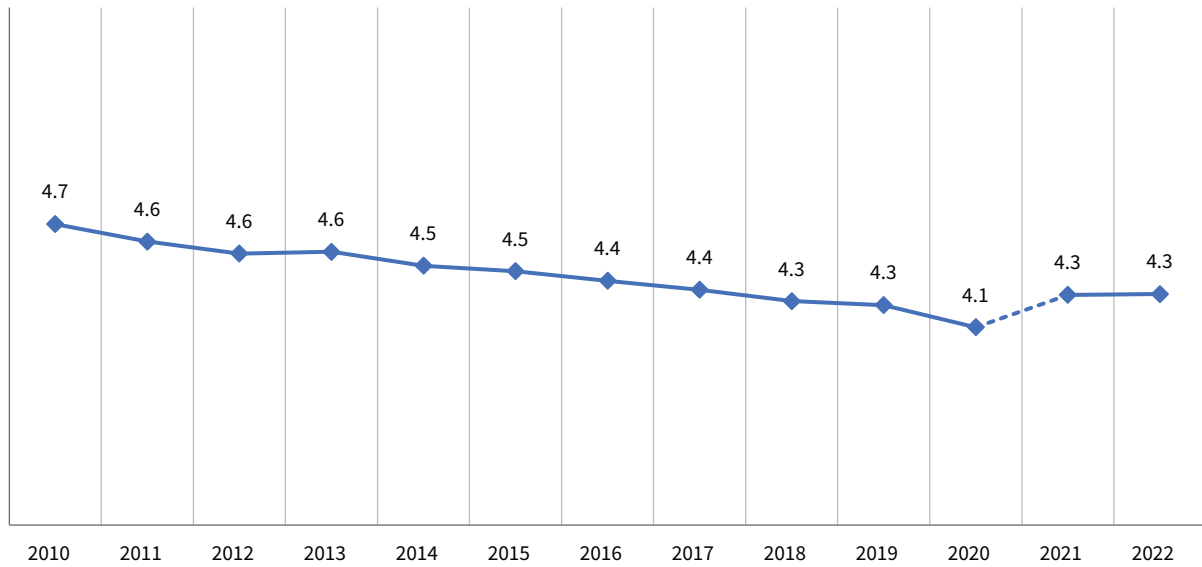
Focusing on the self-employed with employees (Figure 2), we observe a continuous decrease between 2010 (4.7%) and 2020 (4.1%). The increase in 2021 may, again, be related to the break in the time series. The trend was almost entirely driven by the reduction in the proportion of self-employed men with employees; the proportion of self-employed women with employees remained stable during the whole period (at around 2.6%).

Figure 1: Proportion of self-employed workers among employed people aged 15–74, EU27, 2010–2022 (%)



Note: The dotted lines flag the break in the EU-LFS time series due to changes in methodology based on Regulation (EU) 2019/1700.  
Source: Eurostat, EU-LFS

**Figure 2: Proportion of self-employed workers with employees among employed people aged 15–74, EU27, 2010–2022 (%)**

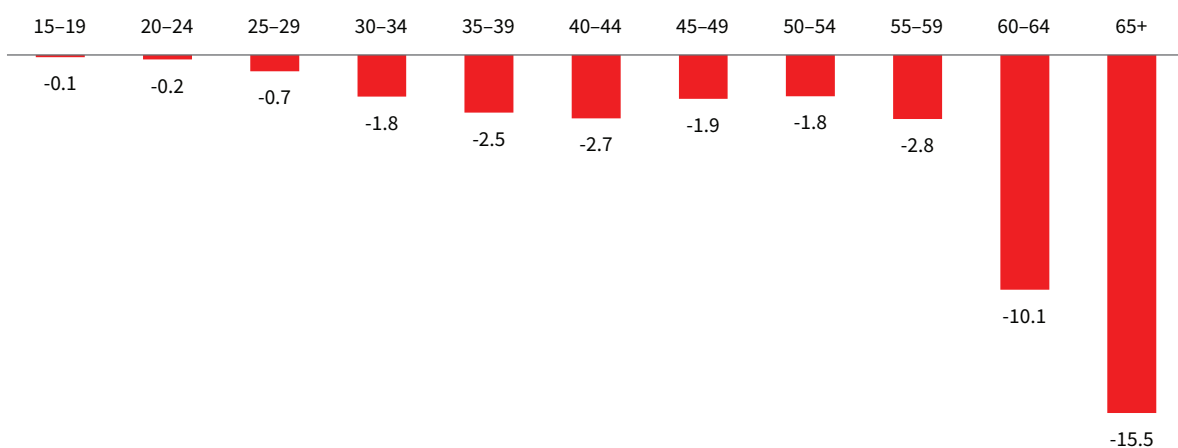


**Note:** The dotted line flags the break in the EU-LFS time series due to changes in methodology based on Regulation (EU) 2019/1700.  
**Source:** Eurostat, EU-LFS

The main reason for the overall decline in self-employment appears to be an imbalance between labour market exits due to old age and the creation of new self-employed jobs. A comparison of the proportions of self-employed workers across age groups between 2010 and 2022 highlights the drastic drop in self-employment

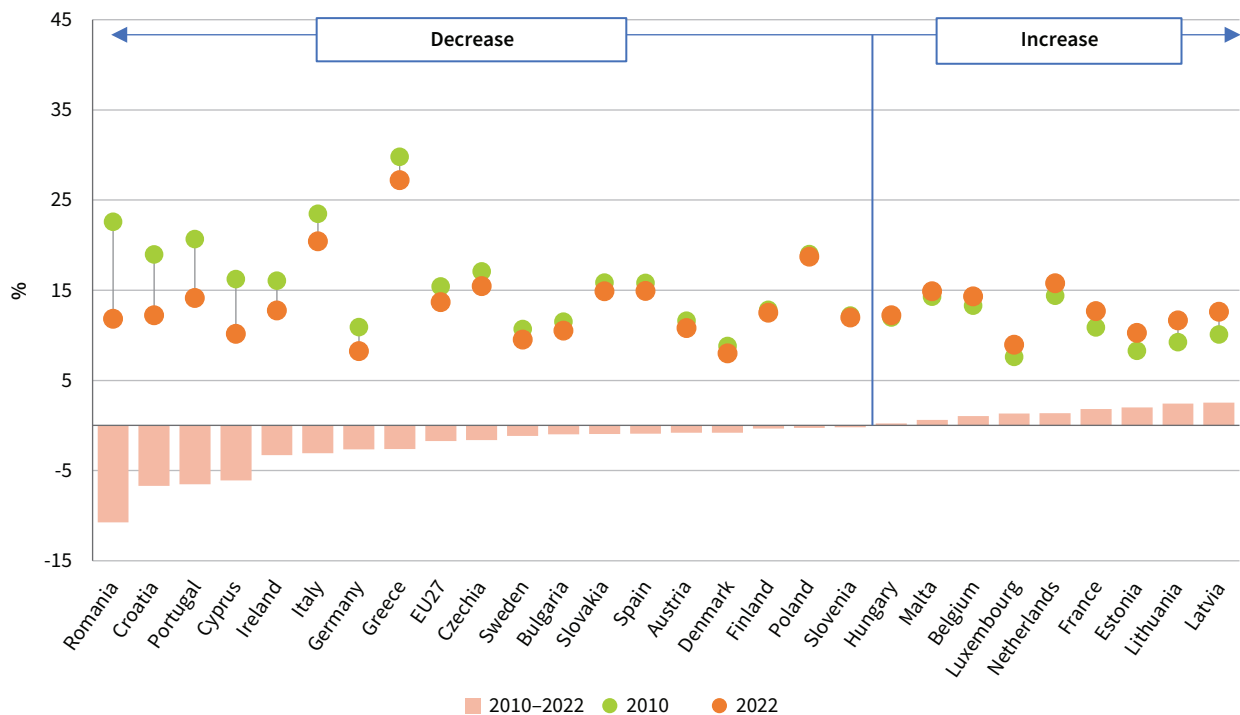
in the older age groups (Figure 3). The proportion of self-employed people among workers aged 65 or older gradually dropped over the period observed by 15.5 percentage points (from 54.9% to 39.4%) and among workers aged 60–64 by 10.1 percentage points (from 29.3% to 19.2%).

**Figure 3: Change in self-employment by age group, EU27, 2010–2022 (percentage points)**



**Source:** Eurostat, EU-LFS

**Figure 4: Proportion of self-employed workers in the employed labour force aged 15–74, EU27, 2010 and 2022, (%), and change between 2010 and 2022 (percentage points)**



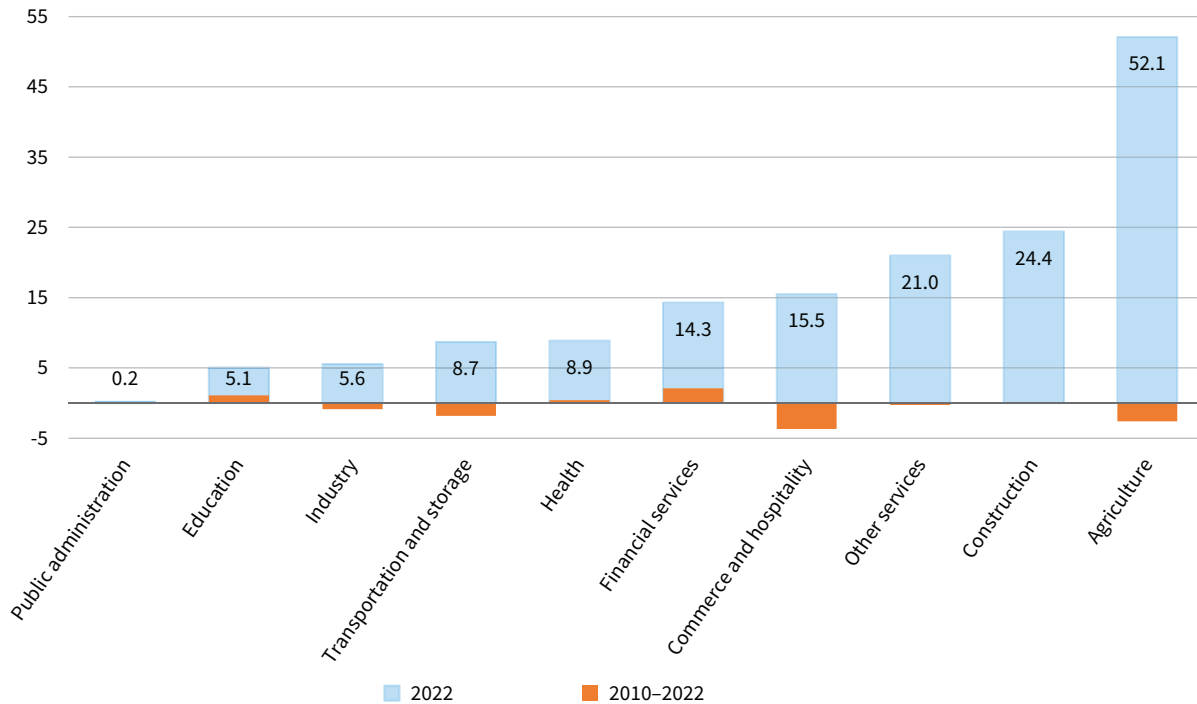
Source: Eurostat, EU-LFS

Although the proportion of self-employed workers in the EU decreased overall between 2010 and 2022, different countries show very different trends (Figure 4). Self-employment is – among the EU Member States – most common in Greece (27%), Italy (20%) and Poland (19%) and least common in Denmark, Germany (both 8%) and Luxembourg (9%). In 18 of the EU countries, self-employment decreased between 2010 and 2022, with the biggest drops in Romania (-10.8 percentage points), Croatia (-6.7 percentage points), Portugal (-6.5 percentage points) and Cyprus (-6.1 percentage points). In 9 countries, however, there was an increase, notably in the Baltic countries (Latvia, +2.5 percentage points; Lithuania, +2.4 percentage points; Estonia, +2.0 percentage points). In roughly 11 countries, these changes were very marginal.

## Changes in sectors, occupations and education among the self-employed

In terms of sectors, the highest proportion of self-employment is found in agriculture (52%), which has traditionally been the case. Agriculture is followed by construction (24%) and other services (21%), as shown in Figure 5. The most pronounced decreases between 2010 and 2022 were reported in commerce and hospitality (-3.7 percentage points), agriculture (-2.6 percentage points) and transportation and storage (-1.8 percentage points). The biggest increase, on the other hand, was observed in financial services (+2.1 percentage points). All of these changes took place gradually over the period observed.

**Figure 5: Proportion of self-employed workers in the employed labour force aged 15–74, EU27, 2022, by economic sector (%), and change between 2010 and 2022 (percentage points)**

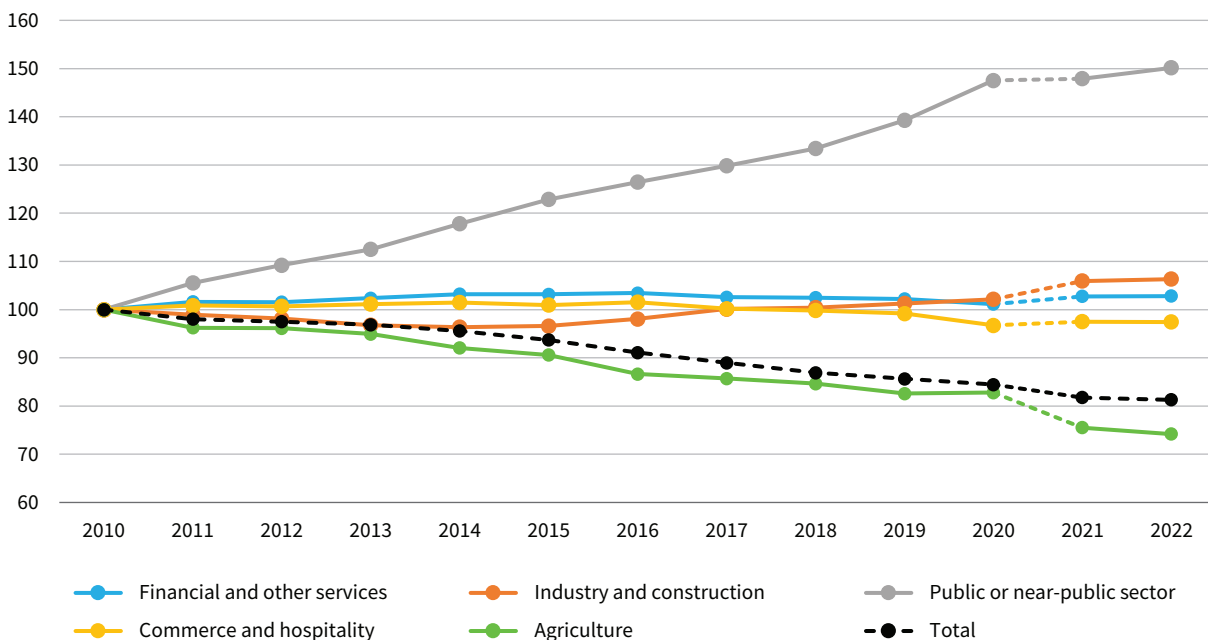


Source: Eurostat, EU-LFS

Examining indexed developments (2010 = 100) of self-employment shares overall and by sector between 2010 and 2022 (Figure 6) reveals that self-employment went down by 19%, mostly driven by developments in agriculture, where the proportion of self-employment decreased by 26% (the largest drop, in 2021, may be

related to the break in the EU-LFS time series). On the other hand, a massive growth in self-employment (+50%) can be observed in the public or near-public sector (including public administration, education and health), although the proportion of self-employment remains low. Industry and construction experienced

**Figure 6: Indexed developments in self-employment, by sector, EU27, 2010–2022 (2010 = 100)**

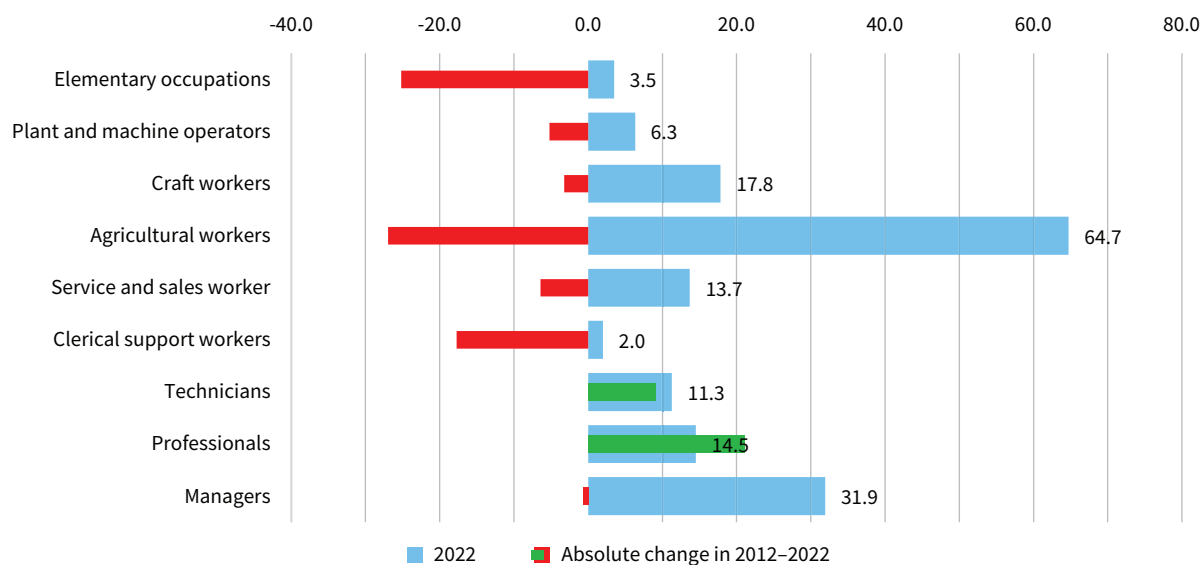


Note: The dotted lines flag the break in the EU-LFS time series due to changes in methodology based on Regulation (EU) 2019/1700.

Source: Eurostat, EU-LFS



**Figure 7: Proportion of self-employed workers and change in absolute numbers, by occupation, EU27, 2012–2022 (%)**



Source: Eurostat, EU-LFS

growth in self-employment of around 6%, while the proportion of self-employment in commerce and hospitality decreased by around 3%.

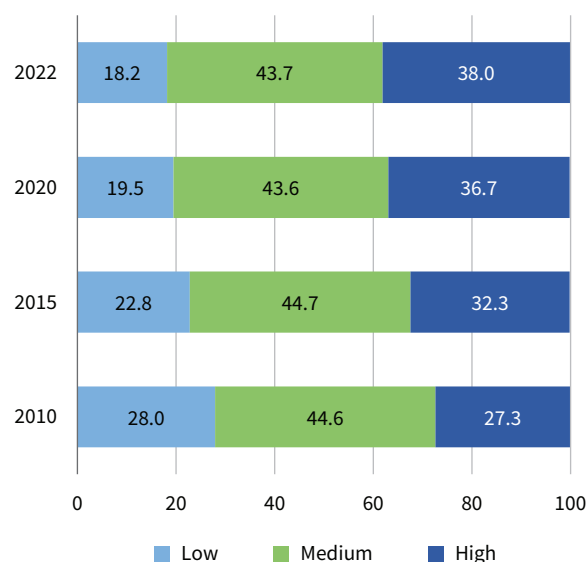
With regard to occupations, agricultural workers include the highest proportion of self-employed workers (around 65%). However, in absolute terms, the number of self-employed workers in this occupation decreased by 27% between 2012 and 2022 (Figure 7). While the share of self-employed workers increased relative to the total number of workers in this occupation, the absolute number of self-employed agricultural workers shrank substantially. Around 32% of all managers are self-employed; the absolute number almost remained stable. On the other hand, a continual increase in self-employment, in terms of both absolute numbers and proportions, can be observed among professionals (up 21% since 2012, at nearly 15% in 2022) and technicians (up 9.1% since 2012, at just over 11% in 2022). Both proportions and absolute numbers of self-employed workers decreased among service and sales workers (around 14% in 2022), elementary occupations (about 4%) and clerical support workers (2%).

Some people are self-employed in a second occupation. As the EU-LFS tends to focus on the main occupation, accurate data on this aspect are lacking. According to data from the European Working Conditions Survey in 2015, 7% of the self-employed with employees and 9% of the self-employed without employees had another job. In 2021, however, based on the European Working Conditions Telephone Survey (EWCTS) during the COVID-19 pandemic, 18% of the self-employed with employees and 13% of the solo self-employed reported that they had more than one job. For most workers with a second job (58%), it is a regular job rather than an occasional one. The EWCTS does not specify whether

this activity is carried out as a self-employed worker or as an employee.

The trend in the formal educational attainment of self-employed workers demonstrates a structural shift that reflects broader changes in the workforce. While the proportions of self-employed workers with low and high levels of educational achievement were almost the same in 2010 (28% versus around 27%), the picture looked quite different 12 years later: while 38% of the self-employed reported having tertiary education in 2022, the proportion of those with low-level qualifications had shrunk to 18% (Figure 8). This is a

**Figure 8: Levels of formal educational attainment of self-employed people, EU27, 2010–2022 (%)**



Source: Eurostat, EU-LFS

crucial trend, as raising educational attainment and ensuring that workers have relevant competences and skills throughout their life course are crucial to the EU achieving its aim of eliminating vulnerabilities in the labour market and making work more sustainable in

crisis-prone times. Among the younger self-employed (those under 40), the proportions with a low level of skills have been found to be high in Greece, Italy, Portugal, Romania and Spain (Cedefop, 2010).

## Key takeaways

- According to the EU-LFS, the proportion of self-employed people aged between 15 and 74 in the employed labour force was 15.4% in 2010 and, following a period of stability between 2011 and 2013, it continuously fell until 2022, when it reached its lowest value of 13.7%.
- The decrease in self-employment was more pronounced among men, with an overall reduction of 2.5 percentage points between 2010 and 2022, compared with 0.8 percentage points among women.
- The main reason for the overall decline in self-employment appears to be an imbalance between labour market exits due to old age and the creation of new self-employed jobs.
- Self-employment (overall and self-employment with employees and solo self-employment separately) is – among the EU Member States – most common in Greece (27%), Italy (20%) and Poland (19%). Economically dependent solo self-employment is most common in Slovakia, Poland (both 3.2%) and Greece (2.8%).
- In terms of sectors, the highest proportion of self-employment is found in agriculture (52%), which has traditionally been the case. Agriculture is followed by construction (24%) and other services (21%).

## 2 Profiling the self-employed during the pandemic

### Types of self-employment

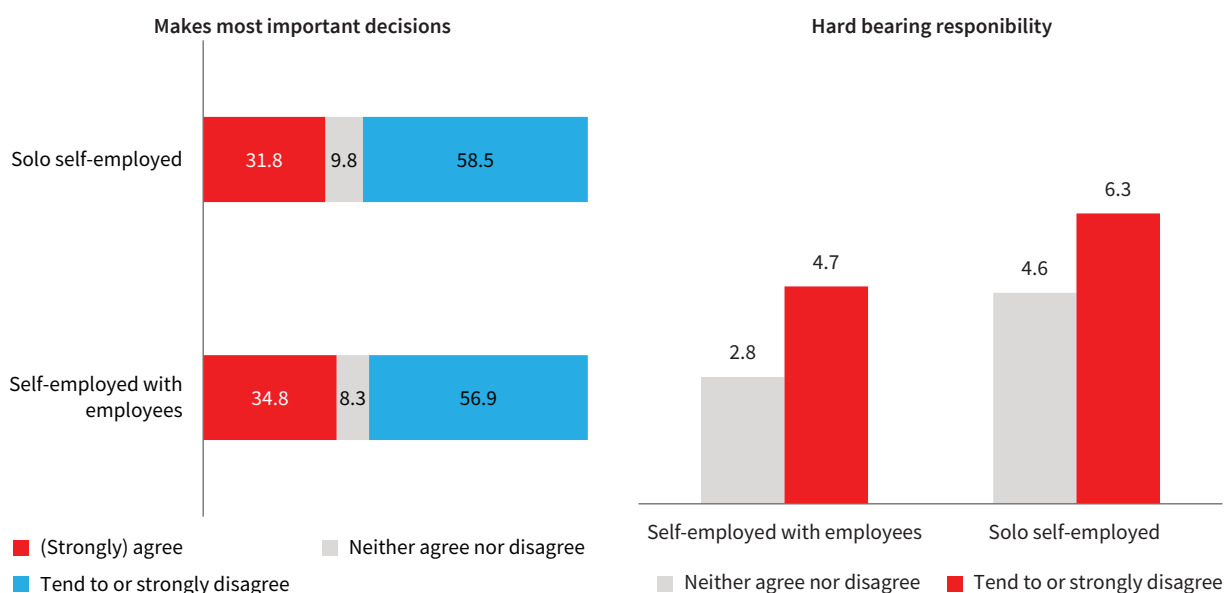
This research report aims to identify vulnerable groups of self-employed people and present policy recommendations on how to better protect them. Most self-employed people enjoy good working conditions and job quality, as previous Eurofound research has shown. However, self-employment is not always a choice; people are often forced to become self-employed because of a lack of alternative employment options (Eurofound, 2017) or are self-employed on paper but their actual employment situation resembles that of an employee. The EWCTS 2021 collected important information in this regard, revealing significant differences between self-employed people with employees (employers) and solo self-employed people.

Figure 9 looks at responses to the statements 'I find it hard bearing the responsibility of running my business' and 'I make the most important decisions on how the business is run'. A higher proportion of self-employed people with employees strongly agree or agree with the

former statement than solo self-employed people, although the difference is small (35% versus 32%), indicating that this is generally a burden for around one-third of all self-employed people. A higher share of solo self-employed people disagree with the statement that they make the most important decisions in their business, but again the difference is small (6% versus 5%).

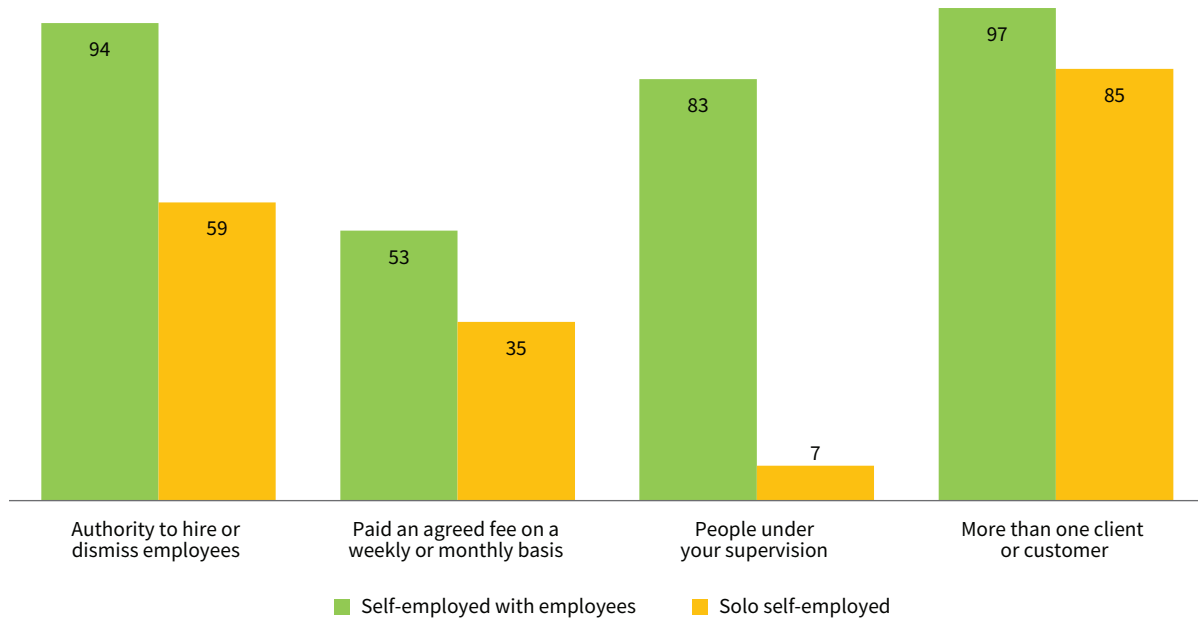
A more nuanced appreciation of the differences between the self-employed with employees and the solo self-employed can be gained by examining several indicators, as shown in Figure 10. These include the authority to hire or dismiss employees, which – unsurprisingly – almost all self-employed people with employees confirm that they have (94%), compared with only 59% of the solo self-employed. The proportion of solo self-employed people who have more than one client (85%) is also below that of self-employed people with employees (97%), and fewer solo self-employed people are paid an agreed monthly or weekly fee (35% versus 53%).

**Figure 9: Self-employed people's responses to 'I find it hard bearing the responsibility of running my business' and 'I make the most important decisions on how the business is run', EU27, 2021 (% of respondents)**



Source: Eurofound, EWCTS 2021

Figure 10: Indicators characterising the nature of self-employment, EU27, 2021 (% of respondents agreeing)



Source: Eurofound, EWCTS 2021

### Box 2: Indicators used to determine economic dependence among solo self-employed workers

The following questions from the EWCTS 2021 were used to characterise situations of economic dependence among the self-employed:

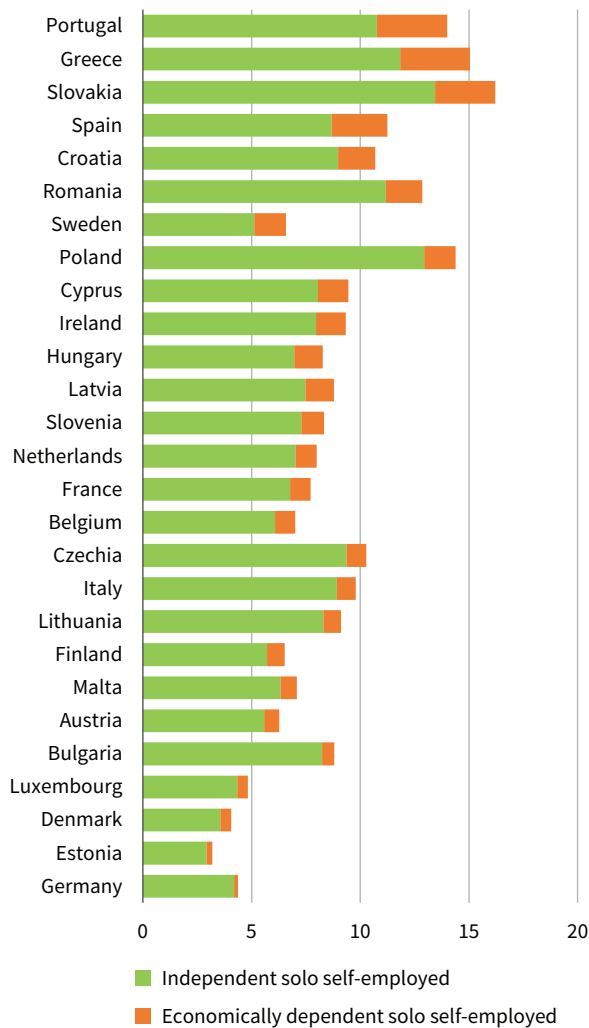
Regarding your business, do you ...

- have the authority to hire or dismiss employees?
- generally have more than one client or customer?
- make the most important decisions on how the business is run?

Based on the above indicators, the solo self-employed can be further distinguished by whether or not they are economically dependent on one or a few clients with little or no autonomy in running their business. Economically dependent solo self-employed workers in many ways resemble dependent employees, but they often lack the labour rights of employees, including

access to social protection (such as unemployment benefits and accident or sickness benefits). This type of self-employment is often characterised by low income and financial insecurity; people in this situation were particularly badly affected during the pandemic by the associated public health measures (Eurofound, 2021c).

**Figure 11: Solo self-employed workers by dependence status, EU27, 2021 (% of entire workforce)**



Source: Eurofound, EWCTS 2021

According to the classification based on the indicators in Box 2, 1.3% of the overall workforce were economically dependent self-employed workers in 2021 (see Table 1); they made up 9% of solo self-employed workers. Solo self-employed women were more likely to be economically dependent than their male counterparts (13% and 7%, respectively). The highest proportions of economically dependent solo self-employed people were to be found in Poland and Slovakia (both 3.2%) and Greece (2.8%) (see Figure 11).

By contrast, EU-LFS data from 2022 put the share of dependent solo self-employed workers in the EU much higher, at 4%. The EU-LFS methodology defines dependent solo self-employed people as self-employed people without employees who worked during the past 12 months for only one client or for a dominant client (economic dependence) that decided on their working hours (organisational dependence).

**Table 1: Workforce by gender and employment status, EU27, 2021 (%)**

Gender	Self-employed with employees	Independent solo self-employed	Economically dependent solo self-employed	Employee
Men	5.7	9.1	1.1	84.0
Women	2.9	6.8	1.4	88.8
Total	4.4	8.0	1.3	86.2

Source: Eurofound, EWCTS 2021

## Socioeconomic composition of self-employed groups

In the following analysis, the population of self-employed workers is split into self-employed workers with employees (SE+), the independent solo self-employed (ISSE) and the economically dependent solo self-employed (EDSSE), based on EWCTS data.

Table 2 illustrates that the sociodemographic composition of groups of self-employed people varies substantially. More than two-thirds of the SE+ and 61% of the ISSE are male, while more than half of the EDSSE are female. Self-employed workers are on average older than employees, with one in four of the solo self-employed (both ISSE and EDSSE) and 28% of the SE+ being 56 years of age or older. Around one-third of the EDSSE live in households of more than two adults (with no children), compared with 24% of the SE+ and the ISSE and 20% of employees.

When exploring the distribution of self-employed workers across sectors and occupations, clear differences between the groups arise. As shown in Table 3, while the SE+ are overrepresented in commerce and hospitality (26% versus 18% on average) and construction (13% versus 7% on average), the solo self-employed are more likely to work in agriculture (ISSE, 15%; EDSSE, 23%; average, 4%) and the other services sector (ISSE, 35%; EDSSE, 30%; average, 19%). In terms of occupations, SE+ are unsurprisingly more likely to work as managers (18% versus 5% on average) or as craft workers (17% versus 12% on average). Both the ISSE and the EDSSE are more likely than average to work as skilled agricultural workers (ISSE, 16%; EDSSE, 21%; average, 3%) and the ISSE include higher proportions of professionals (25%) and craft workers (15%) than the workforce overall.

**Table 2: Sociodemographic characteristics by type of self-employment, EU27, 2021 (% of workers)**

Characteristic	SE+	ISSE	EDSSE	Employee	Total
<b>Gender</b>					
Men	70	61	48	52	54
Women	30	39	52	48	46
<b>Age groups</b>					
16–24	2	4	9	9	8
25–34	13	17	17	21	20
35–44	23	24	20	25	25
45–55	34	30	29	29	29
56+	28	25	25	17	18
<b>Household type</b>					
Single household	12	15	14	18	17
Lone parent	1	2	2	3	3
2 adults	27	26	25	27	27
2 adults plus children	26	22	17	24	24
More than 2 adults (no children)	24	24	32	20	20
More than 2 adults plus children	10	10	10	9	9

**Note:** SE+, self-employed with employees; ISSE, independent solo self-employed; EDSSE, economically dependent solo self-employed.  
**Source:** Eurofound, EWCTS 2021

**Table 3: Sectors and occupations by type of self-employment, EU27, 2021 (% of workers)**

Sector/occupation	SE+	ISSE	EDSSE	Employee	Total
<b>Sector</b>					
Agriculture	10	15	23	2	4
Commerce and hospitality	26	14	5	18	18
Construction	13	10	8	6	7
Education	2	3	4	8	8
Financial services	3	4	4	4	4
Health	7	6	9	12	11
Industry	13	8	9	20	18
Other services	22	35	30	17	19
Public administration	1	0	2	8	7
Transportation and storage	3	4	6	6	5
<b>Occupation</b>					
Managers	18	5	1	4	5
Professionals	21	25	22	21	22
Technicians	11	14	9	17	16
Clerical support workers	3	2	3	11	10
Service and sales workers	16	14	15	16	16
Skilled agricultural workers	11	16	21	1	3
Craft workers	17	15	11	11	12
Plant and machine operators	3	5	7	8	8
Elementary occupations	1	4	12	9	9

**Note:** SE+, self-employed with employees; ISSE, independent solo self-employed; EDSSE, economically dependent solo self-employed.  
**Source:** Eurofound, EWCTS 2021

## Roles

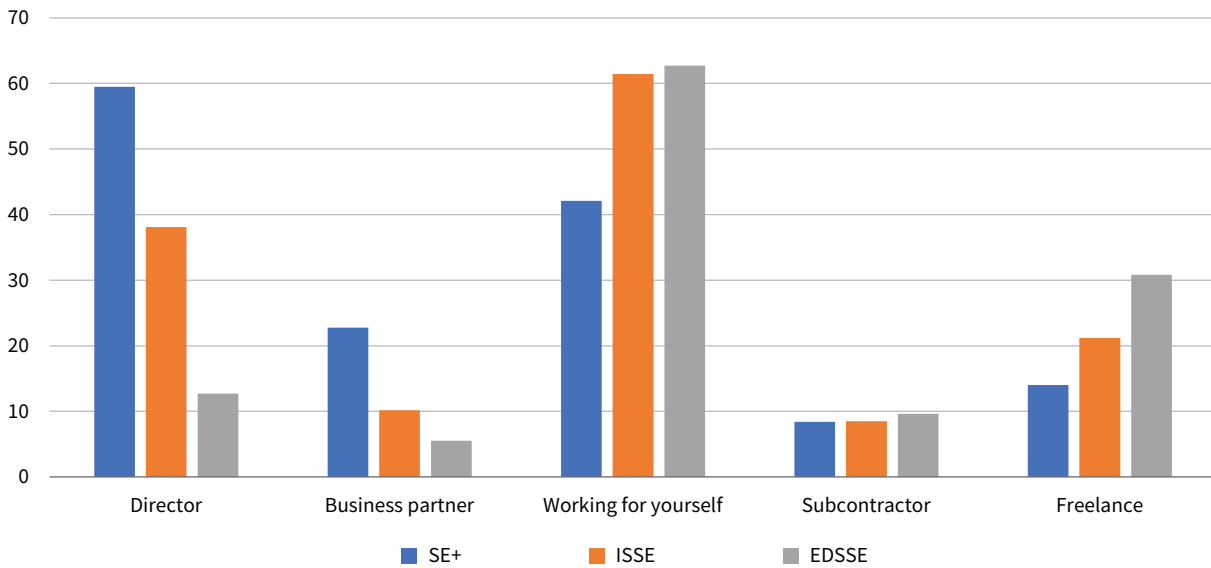
The EWCTS asked self-employed workers about their roles in their business. The options the respondent could pick were not mutually exclusive; the aim was to gain an understanding of how the workers perceived the various tasks and responsibilities they had in their business. The data provide an insight into the roles in which the EDSSE are most likely to be found.

More than half of the SE+ saw themselves as directors, which was true of only 38% of the ISSE and 13% of the EDSSE (Figure 12). Around one in four of the SE+ said that they were business partners, as did 1 in 10 of the ISSE and only a negligible 6% of the EDSSE. In fact, most EDSSE respondents said that they worked for themselves (63%), as did 61% of the ISSE but only 42% of the SE+. Around one-third (31%) of the EDSSE categorised themselves as freelancers, as did just over

one-fifth of the ISSE, but only 14% of the SE+ did so. Very few self-employed people overall and within any group said that they were subcontractors (< 10%).

As regards the distribution of these roles across sectors, directors are overrepresented in commerce and hospitality (20% versus 14% of the self-employed overall) and in industry (11% versus 8%). Business partners more often work in commerce and hospitality (18% versus 14%) and in health (12% versus 6%) than self-employed people do on average, and freelancers are especially active in the other services sector (42% versus 35%). Subcontractors are more likely than most self-employed workers to be found in construction (25% versus 10%), industry (12% versus 8%) and transportation and storage (8% versus 4%). Those who described their role as working for themselves, finally, do not differ much from the average but are somewhat overrepresented in agriculture (17% versus 15%).

Figure 12: Tasks and roles by type of self-employment, EU27, 2021 (% of workers)



Note: SE+, self-employed with employees; ISSE, independent solo self-employed; EDSSE, economically dependent solo self-employed. Source: Eurofound, EWCTS 2021

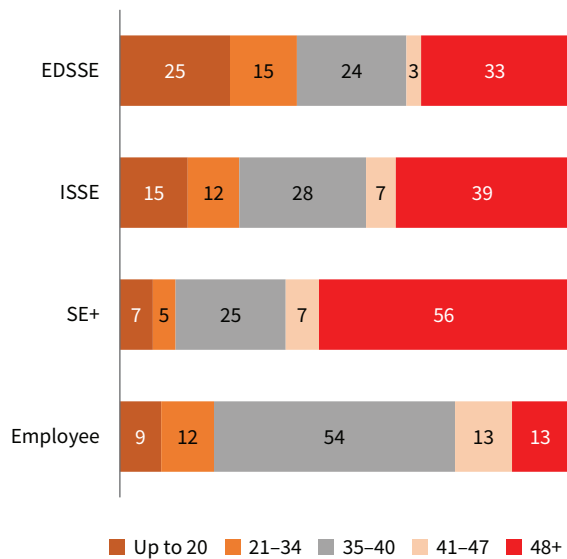
## Working hours

One of the ways in which the COVID-19 crisis most affected workers was in terms of the amount of time they spent in paid work. Some worked longer hours; others worked fewer hours or stopped working completely. Figure 13 shows the distribution of self-employed workers and employees according to their weekly working hours at the time the EWCTS fieldwork was conducted. Self-employed workers on average had longer working weeks than employees. More than half of the SE+ reported working weeks of 48 hours or more, as did 39% of the ISSE and one-third of the EDSSE, compared with only 13% of employees. However, one in four of the EDSSE reported working a maximum of 20 hours per week, by far the highest proportion (followed by 15% of the ISSE).

Against this background, Table 4 provides information on preferences regarding working hours. More than half of all self-employed people would prefer to work fewer hours; this preference is most common among the SE+ (59%). The EDSSE, on the other hand and in line with the findings above, are more likely than other groups of workers to indicate a preference for more working hours (18%).

During the pandemic, self-employed workers were working not only longer hours per week but also more days per week than employees. One in two of the SE+ reported working more than five days per week, followed by 44% of the ISSE and one-third of the EDSSE.

Figure 13: Working hours by type of employment, EU27, 2021 (% of workers)



Note: EDSSE, economically dependent solo self-employed; ISSE, independent solo self-employed; SE+, self-employed with employees. Source: Eurofound, EWCTS 2021

Table 4: Preferences regarding working hours by type of employment, EU27, 2021 (% of workers)

Preference	SE+	ISSE	EDSSE	Employee
Fewer hours	59	51	50	44
Same hours	35	38	32	44
More hours	5	12	18	12

Note: SE+, self-employed with employees; ISSE, independent solo self-employed; EDSSE, economically dependent solo self-employed. Source: Eurofound, EWCTS 2021

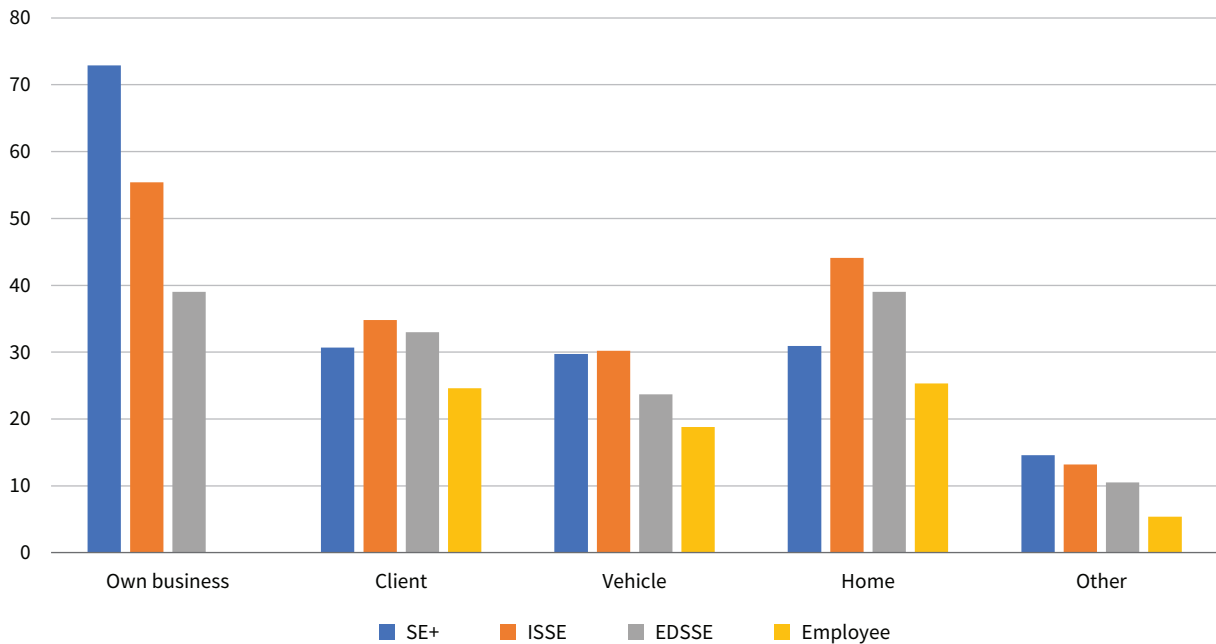


## Place of work

In the 12 months preceding the survey interviews (which took place during the spring and summer of 2021), most EU Member States had implemented lockdowns and temporary business closures. Many workers continued to go to their workplaces, but others, especially those who could telework, worked from their homes. This section looks at groups of workers in terms of their main work location. It uses different categories for main place of work, taking into account whether workers were working from a single place of work or from several places of work in the year before the survey. The categories are not mutually exclusive, as it was possible to have worked often in one location and in another during the previous 12 months.

Figure 14 shows proportions of self-employed groups and employees according to the locations where they worked always or often. The vast majority of the SE+ (more than 70%) reported having worked at their own businesses, as did more than half of the ISSE and 39% of the EDSSE. Both the ISSE and the EDSSE included high proportions of workers working from home (44% and 39%, respectively); 31% of the SE+ and 25% of employees worked from home. Differences between groups were less pronounced as regards working at a client's premises or in a vehicle.

**Figure 14: Locations where workers always or often worked in previous 12 months by type of employment, EU27, 2021 (% of workers)**



**Note:** SE+, self-employed with employees; ISSE, independent solo self-employed; EDSSE, economically dependent solo self-employed. Employers' premises omitted as not applicable to self-employed.

**Source:** Eurofound, EWCTS 2021

## The self-employed and ‘COVID groups’

The EWCTS overview report described the exceptional situation during the pandemic (Eurofound, 2022b); the analysis presented in the report split the workforce into different ‘COVID groups’ of workers, each of which was affected differently during the pandemic by the associated public health measures implemented by the Member States (Box 3). Workers in these groups were exposed to varying degrees of risk of job loss, temporary unemployment, increased or decreased working time and income cuts. In addition, workers in these groups faced risks depending on the type of job they were in, their main place of work and their level of exposure to infection because of their physical proximity to other people (including colleagues, clients, patients and students) in the workplace. The analysis identified four broad groups of workers who experienced the pandemic differently (see Box 3).

Figure 15 illustrates how employees and the various groups of self-employed workers are distributed across the four COVID groups. The proportion of on-location services workers is much higher among self-employed people than among employees, with 48% of the EDSSE falling into this group and around 40% of the SE+ and the ISSE. Very few self-employed people are frontline workers, with proportions falling between 5% and 7%. Around one-third of employees, the SE+ and the ISSE are home office workers, but only one-quarter of the EDSSE are. Around 20% of the self-employed, with no differences across groups, are on-location production workers, compared with 24% of employees.

### Box 3: COVID groups identified in the EWCTS overview report

**On-location services workers:** This group represents 22% of the EU workforce. It is mainly composed of services and sales workers (49%) but also includes workers in elementary occupations (21%). Skilled agricultural workers account for 13% of this group and are overrepresented, with 96% of all skilled agricultural workers being classified in this group.

**Frontline workers:** This COVID group represents 20% of the EU workforce. It mainly comprises public sector workers (68%), and most come from three sectors: health (45%), education (30%) and public administration (19%). The group includes 84% of health professionals, 81% of teaching professionals and 87% of members of the armed forces.

**Home office workers:** The biggest group (35% of the EU workforce) consists of workers who mostly worked in teleworkable office jobs, with almost half working either from home or in some form of hybrid arrangement (such as from home and at their employer’s premises). Workers in this group heavily depended on digital devices to perform the tasks associated with their job.

**On-location production workers:** This COVID group represents 24% of the EU workforce. It largely consists of plant and machine operators, craft workers and workers in elementary occupations (87%), most of whom worked during the pandemic at their employer’s or their own business premises, at a client’s premises or at some combination of these locations. The vast majority of workers in this group were employed in private sector companies in the industry (45%), construction (21%) or transport (17%) sectors.

Source: Eurofound, 2022b

**Figure 15: Distribution of employees and groups of self-employed workers across COVID groups, EU27, 2021 (% of workers)**



**Note:** SE+, self-employed with employees; ISSE, independent solo self-employed; EDSSE, economically dependent solo self-employed.

**Source:** Eurofound, EWCTS 2021

## Key takeaways

- The EWCTS 2021 revealed important differences between self-employed people with employees and solo self-employed people when examining several indicators, including having the authority to hire or dismiss employees (94% versus 59%), having more than one client (97% versus 85%) and being paid an agreed monthly or weekly fee (53% versus 35%).
- The solo self-employed can be further distinguished by whether or not they are economically dependent on one or a few clients, with little or no autonomy in running their business. This type of self-employment – economically dependent solo self-employment – is often characterised by low income and financial insecurity. According to EWCTS data, 1.3% of the overall workforce were EDSSE workers in 2021; they made up 9% of solo self-employed workers. Solo self-employed women were more likely to be economically dependent than their male counterparts (13% and 7%, respectively).
- During the pandemic, more than half of the SE+ reported working weeks of 48 hours or more, as did 39% of the ISSE and one-third of the EDSSE, compared with only 13% of employees. However, one in four of the EDSSE reported working a maximum of 20 hours per week, by far the highest proportion (followed by 15% of the ISSE).



# 3 Self-employment and job quality during the pandemic

## Job quality of the self-employed

The EWCTS overview report gives a detailed account of how job demands and job resources were distributed across the working population in 2021 (Eurofound, 2022b). This section applies the job quality index that was used in the overview report to assess self-employed workers' job quality. The index uses a methodology developed by the Organisation for Economic Co-operation and Development (OECD) to measure the quality of the working environment, comparing individual exposure to demands and resources (OECD, 2017). Where workers have more job demands than job resources, they experience 'job strain'. Workers who feel job strain are most at risk, from a health and well-being perspective, and would benefit most from an improvement in their job quality.

The index is based on indicators measuring job resources and demands in six job quality dimensions, as shown in Table 5: the physical and social environment, job tasks, organisational characteristics, working time arrangements, job prospects and intrinsic features of the job such as rewards or opportunities to develop in the job.

Based on these dimensions, jobs can be assessed in relation to the balance between job demands and resources to create a job quality index that ranges from extremely strained (job demands far outweigh job resources) to highly resourced (job resources outweighing job demands). In between lie highly strained, moderately strained, poorly resourced and moderately resourced jobs (Eurofound, 2022b).

Although not all these indicators are equally relevant for self-employed workers, the index is a good reference framework for evaluating the work situations of all groups of workers. This section discusses important findings regarding the groups of self-employed workers in relation to the most relevant of the dimensions (organisational characteristics related to dependence were already discussed above) and then applies advanced statistical methods to identify the main drivers of poor job quality across the groups. Furthermore, it examines the varying impact of work-related factors on job quality for the different self-employment types.

### Physical and social environment

During the pandemic, the implementation of measures to reduce the risk of transmission of COVID-19 affected the physical organisation of workplaces and the level of social support available to workers. This was probably especially true for the self-employed, particularly those working on their own account. The EWCTS captured physical risks by quantifying the frequency with which workers were exposed to chemicals, infectious materials and noise. Physical demands were captured by measuring the frequency with which a job involved carrying or moving heavy loads, lifting people, being in tiring or painful positions, or making repetitive hand or arm movements.

There is generally not much variation across the groups as regards physical risks and demands. The average EDSSE worker was more often in contact with infectious materials than the average self-employed worker (25% versus 14%) and lifted and moved people more

**Table 5: Dimensions of job quality and corresponding job demands and job resources**

Dimension	Job demands	Job resources
Physical and social environment	Physical risks	Social support
	Physical demands	
	Intimidation and discrimination	
Job tasks	Work intensity	Task discretion and autonomy
Organisational characteristics	Dependence (self-employed workers only)	Organisational participation and workplace voice
Working time arrangements	Unsocial work schedules	Flexibility of working hours
Job prospects	Perceptions of job insecurity	Training and learning opportunities
		Career advancement
Intrinsic features		Intrinsic rewards
		Opportunities for self-realisation

Source: Eurofound, 2022b

than the average self-employed worker (14% versus 8%). The EDSSE were also more likely to be exposed to antisocial behaviour (13%) than self-employed workers on average (10%), but the difference is small.

Social support from colleagues or peers (the latter being more relevant for the self-employed) can take different forms: help in carrying out tasks, moral support in challenging work situations and a sense of solidarity. Social support in 2021 was very low, comparatively, for both ISSE and EDSSE workers (29% and 32%, respectively, felt supported, compared with 47% of employees). This comes as no surprise, due to the nature of working for oneself.

Overall, the EDSSE fared worst in the job quality dimension of physical and social environment. They had the highest scores for two of three physical risks and scored above average – as did the ISSE – as regards physical demands. EDSSE workers were also the worst affected among the groups of self-employed workers by adverse social behaviour and received little social support from peers or colleagues.

### Job tasks

While jobs define the specific tasks that people undertake, this dimension sheds light on the conditions under which those tasks are performed in different companies or by self-employed people in terms of work intensity and task discretion and autonomy. Work intensity and the degree of autonomy and discretion workers have in performing their tasks are essential aspects of their health and well-being at work.

In the EWCTS, work intensity was captured by the frequency with which jobs required respondents to work at very high speed and to tight deadlines and to what extent they were put in situations that were emotionally disturbing. Task discretion and autonomy refer to the scope workers have to decide their working methods, the order in which they carry out their activities and their pace of work; they are resources that help workers to deal with the demands of their jobs.

Table 6 shows that during the pandemic the SE+ were the group most likely by far to experience high work intensity. About 60% reported both working at very high speed and working to tight deadlines; only between 41% and 49% of the other groups did so. The SE+ and the EDSSE, were also the most likely to find themselves in emotionally disturbing situations (23% and 24%, respectively).

However, these demands were counterbalanced by the resources of discretion and autonomy over their tasks. The SE+, but also the ISSE, were much more autonomous in their work than other groups, with the highest proportions of workers who were able to choose or change their methods of work, the order of their tasks and the speed or rate of their work. The EDSSE were, on the other hand, the least likely to experience autonomy in their work, with less than half of them being able to change or choose their methods of work or the order of their tasks.

**Table 6: Job task demands and resources by type of employment, EU27, 2021 (% of workers)**

		Employees	SE+	ISSE	EDSSE
Work intensity	Working at very high speed	49	59	44	41
	Working to tight deadlines	47	60	48	45
	Emotionally disturbing work	18	23	17	24
Task discretion and autonomy	Ability to choose or change methods of work	48	63	61	47
	<i>Ability to choose or change order of tasks</i>	53	68	66	45
	<i>Ability to choose or change speed or rate of work</i>	50	60	63	51

**Notes:** SE+, self-employed with employees; ISSE, independent solo self-employed; EDSSE, economically dependent solo self-employed. The data refer to workers who responded 'always' or 'often' to the relevant statement. Italics indicate variables on which data were collected in Module 1 of the questionnaire, for which answers were collected from two-thirds of respondents.

**Source:** Eurofound, EWCTS 2021

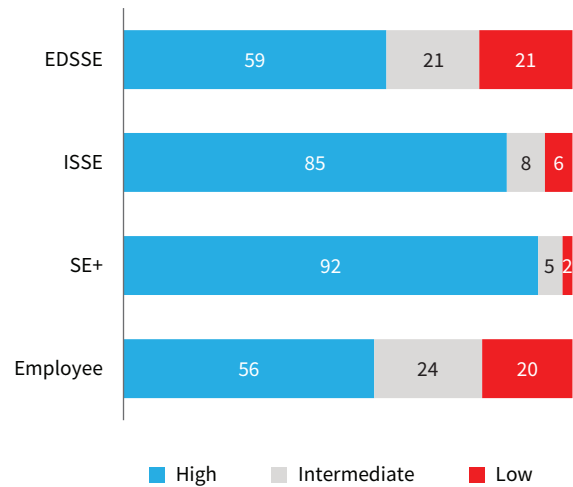
Having the ability to influence decisions that are important for one's work is a resource under the organisational characteristics dimension of job quality. However, it can also be considered an aspect of autonomy, under the job tasks dimension. Almost all SE+ workers reported having such influence to a high degree (92%), as did 85% of the ISSE (Figure 16). However, the EDSSE resembled employees in this regard, with only 59% reporting a high degree of influence and 21% reporting a low degree of influence (56% and 20%, respectively, for employees).

### Working time arrangements

This job quality dimension encompasses two aspects of working time. The first is unsocial work schedules, for instance working in one's free time to meet work demands, working at night or working long hours. The second is working time flexibility: how easy is it, for instance, to take one or two hours off spontaneously if other commitments require it?

Working time has traditionally been a difficult dimension for the self-employed, as discussed in Chapter 2. EWCTS data confirm this. The SE+ were the group most likely to report working during their free time, working at night and working long hours (Table 7). They were also the most likely to have to work at short notice. Both groups of solo self-employed workers also reported these problems in much higher proportions than employees. On the other hand,

**Figure 16: Degree of influence over important work decisions by type of employment, EU27, 2021 (% of workers)**



**Note:** EDSSE, economically dependent solo self-employed; ISSE, independent solo self-employed; SE+, self-employed with employees. **Source:** Eurofound, EWCTS 2021

overall the self-employed had more flexibility than employees if their personal commitments required them to take an hour or two off. For 68% of the EDSSE, however, work was not flexible if they needed an hour or two off, and again they resembled employees in this regard.

**Table 7: Working time arrangements demands and resources by type of employment, EU27, 2021 (% of workers)**

	Employee	SE+	ISSE	EDSSE
Working in free time to meet work demands (several times a week or more)	14	41	32	30
Working at night (sometimes or more often)	20	31	30	29
Long working hours (48+)	13	56	39	33
Working at short notice	12	29	24	23
Arranging to take an hour or two off work (very easy)	32	38	41	32

**Note:** EDSSE, economically dependent solo self-employed; ISSE, independent solo self-employed; SE+, self-employed with employees. Employee serves as a reference category.

**Source:** Eurofound, EWCTS 2021

**Table 8: Job prospects demands and resources by type of employment, EU27, 2021 (% of workers)**

		Employees	SE+	ISSE	EDSSE
Perceived job insecurity	Likely to lose job in the next 6 months	15	13	19	19
	Undesirable change in work situation expected	22	24	22	29
Training and learning opportunities	On-the-job training provided	49	39	32	24
	Learning new things in the job	61	73	71	61
Career advancement	Job offers good career prospects	50	67	54	41

Note: SE+, self-employed with employees; ISSE, independent solo self-employed; EDSSE, economically dependent solo self-employed.

Source: Eurofound, EWCTS 2021

## Job prospects

Job prospects relate to job security on the one hand and opportunities for personal development on the other. Job resources under this dimension include being able to grow and learn new skills at work and opportunities for career advancement. The job demand included in the index for this dimension is the (perceived) risk of losing one's job.

In 2021, 15% of employees and 17% of all self-employed people in the EU feared that they might lose their job in the six months following the survey, with solo self-employed people being more likely to perceive such insecurity. Around one-fifth of workers (22% of both employees and the self-employed) expected an undesirable change in their work situation, with the EDSSE being the group most likely to report this (29%).

In the year preceding the interview, 49% of all employees had access to on-the-job training, while this was reported by 39% of the SE+, 32% of the ISSE and only 24% of the EDSSE. Among both employees and the EDSSE, 61% felt that they were learning new things at work, while this proportion was higher among the SE+ (73%) and the ISSE (71%).

While more than two-thirds of the SE+ felt that they had good career prospects, only about half of the ISSE (54%) and employees (50%) and only 41% of the EDSSE reported that their job offered opportunities for career advancement. Again, the EDSSE appear to be the most vulnerable group of workers in this dimension, being at the bottom in all five indicators, as shown in Table 8.

## Intrinsic job features

The intrinsic rewards of a job have been identified as equally important as other job features. They include opportunities for personal development, feeling that one is doing useful work and doing one's work well, and perceiving the work to be appropriately paid in light of one's efforts.

The proportions of workers who felt that their work was done well were high across the board, as were those who considered that they were doing useful work (Table 9). However, the SE+ and the ISSE were the most likely to agree with these statements (95% and 92%, respectively, considered their work well done, and 94% and 92%, respectively, said that they were doing useful work), while employees and the EDSSE were slightly less likely to do so. The SE+ were, unsurprisingly, the group in which the highest proportion perceived their pay as appropriate (64%), while only about half of the EDSSE did so (53%).

**Table 9: Intrinsic job features resources by type of employment, EU27, 2021 (% of workers)**

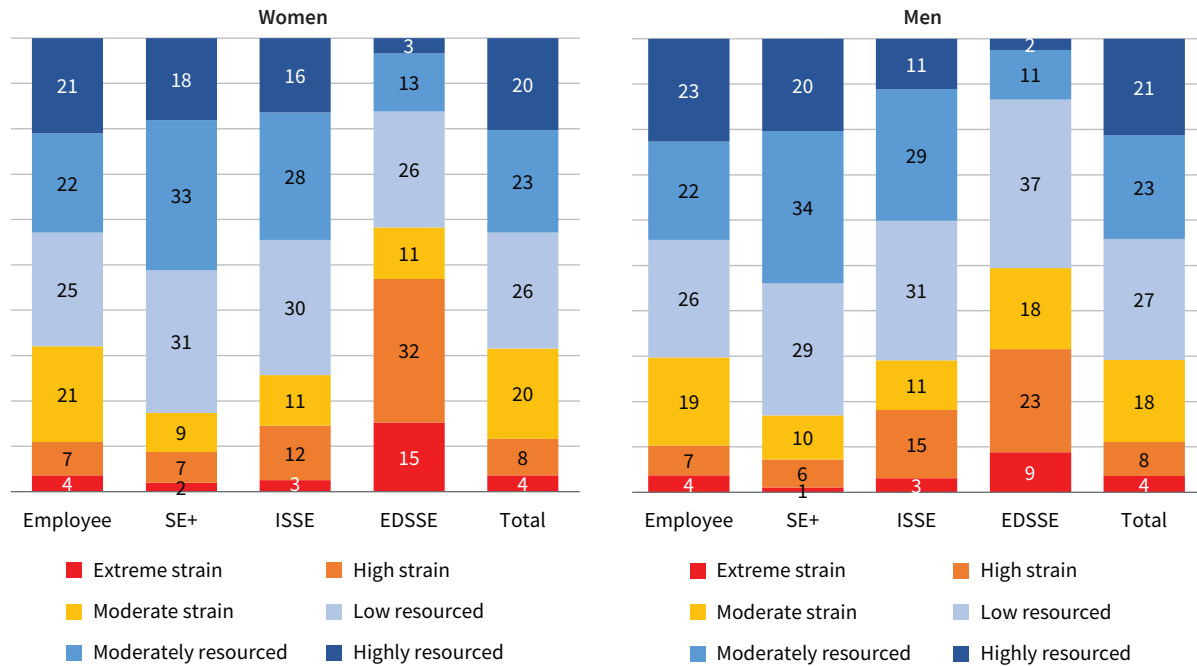
	Employee	SE+	ISSE	EDSSE
I feel that my work is well done	85	95	92	87
I am doing useful work	88	94	92	87
I feel I get paid appropriately	59	64	56	53

Note: SE+, self-employed with employees; ISSE, independent solo self-employed; EDSSE, economically dependent solo self-employed. Employee serves as a reference category.

Source: Eurofound, EWCTS 2021



Figure 17: Job quality index by type of employment and gender, EU27, 2021 (% of workers)



Note: SE+, self-employed with employees; ISSE, independent solo self-employed; EDSSE, economically dependent solo self-employed.

Source: Eurofound, EWCTS 2021

## Overall job quality

Having examined how job demands and job resources were distributed across the various groups of self-employed people, this section explores overall job quality using the job quality index (see OECD, 2017; Eurofound, 2022b).

Figure 17 is made up of two charts, one for women and one for men. In both groups, the highest proportion of strained jobs can be found among the EDSSE, with EDSSE women accounting for the higher proportions (58% vs 50%). The SE+, on the other hand, are the group with the highest proportion of resourced jobs (over 80% for both women and men). Both ISSE women and men, finally, have a very similar job quality structure to employees.

## Outcomes and sustainable work

Sustainable work has been defined by Eurofound as meaning that ‘working and living conditions are such that they support people in engaging and remaining in work throughout an extended working life’ (Eurofound, 2015, p. 2). The term ‘sustainability’ in the context of work implies simultaneous efforts towards achieving individual, social and economic goals in relation to work and the labour market that will enable the needs of the worker in the present to be met without compromising their ability to work in the future. This requires a combination of sustainable conditions in a worker’s current job (for example, sufficient income and good job quality). These conditions may be different for

self-employed people and for employees. However, their ability, willingness and motivation to do their job now and in the future (which depend on their health, skills and work engagement) is as important for the former as for the latter. The institutional and/or economic preconditions for people to carry out their work and participate in the labour market (for instance, a thriving business environment for self-employed people) are crucial elements, and people’s ability to balance their work-related and personal responsibilities also plays a central role in the sustainability of work.

In this section, we examine three sets of indicators – financial sustainability, work engagement, and health and well-being – that offer insights into the sustainability of work.

## Financial sustainability

The EWCTS captured economic hardship in the working population using a well-established indicator: ability to make ends meet. The survey asked respondents to assess their household’s ability to make ends meet considering the household’s total monthly income from different sources on a six-point scale, from ‘very easily’ to ‘with great difficulty’. The ability to make ends meet varied across self-employed workers, with a high proportion of the SE+ (60%) making ends meet very easily or easily, compared with 48% of the EDSSE and 42% of the ISSE (Table 10). However, at 15%, the proportion of the EDSSE with difficulty or great difficulty making ends meet was the highest among all groups (ISSE, 12%; SE+, 9%; employees, 8%).

**Table 10: Financial sustainability indicators by type of employment, EU27, 2021 (% of workers)**

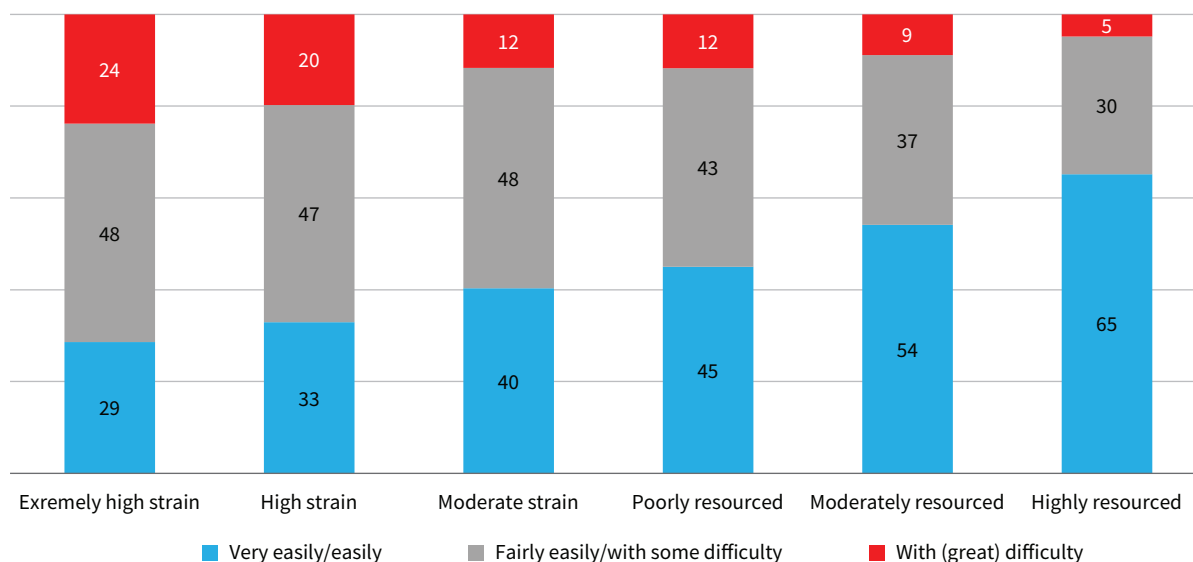
		Employees	SE+	ISSE	EDSSE
Making ends meet	Very easily/easily	51	60	42	48
	Fairly easily	23	20	25	18
	With some difficulty	17	11	21	18
	With difficulty/with great difficulty	8	9	12	15
Predicting earnings over the next three months	Yes, quite accurately	63	29	15	20
	Yes, but approximately	25	35	36	28
	No	12	37	49	52

**Note:** SE+, self-employed with employees; ISSE, independent solo self-employed; EDSSE, economically dependent solo self-employed.  
**Source:** Eurofound, EWCTS 2021

These differences were also reflected in the predictability of earnings indicator. More than half of the EDSSE and 49% of the ISSE could not predict their earnings over the next three months at all, which was the case for only 37% of the SE+ and 12% of employees. Only 15% of the ISSE and 20% of the EDSSE could accurately predict their earnings, compared with 29% of the SE+ and 63% of employees.

Figure 18 shows a clear relationship between job quality and self-employed workers’ ability to make ends meet. Almost two-thirds of self-employed workers in highly resourced jobs (65%) reported that they were able to make ends meet very easily or easily, compared with only 29% of those in extremely strained jobs. Among self-employed workers in extremely strained jobs, 24% had (great) difficulty making ends meet, compared with only 5% of those who worked in highly resourced jobs.

**Figure 18: Self-employed workers’ positions on the job quality index by ability to make ends meet, EU27, 2021 (% of workers)**



**Source:** Eurofound, EWCTS 2021

## Work engagement

Work engagement refers to the emotional commitment of workers to their organisation or business, defined as a ‘positive, fulfilling, work-related state of mind that is characterised by vigour, dedication and absorption’ (Schaufeli et al, 2002). It is the opposite, according to Maslach and Jackson (1981), of the core dimensions of burnout: exhaustion, depersonalisation and reduced personal accomplishment.

The EWCTS captured work engagement by asking workers if they felt full of energy at work, if they were enthusiastic about their work and if they felt that time flew when they were working. The findings paint a generally positive picture of the level of engagement of the EU workforce as a whole, and especially that of the self-employed, despite the pandemic (Figure 19). Entrepreneurs with employees (the SE+) were, unsurprisingly, the most engaged, with 88% both reporting that time flew and being enthusiastic about their work, and 77% of them feeling full of energy always or often. Proportions were lower but still above average for the ISSE (84% found that time flew, 82% were enthusiastic and 73% felt energetic), while the responses of the EDSSE resembled those of employees more than those of other self-employed groups. They were least likely to be enthusiastic about their work (66%). Among the EDSSE, 48% had a high overall level of engagement, below 55% (the ISSE) and 58% (the SE+) but above 40% (employees).

The link between job quality and engagement is quite intuitive and has been explored in previous research (for example, Geisler et al, 2019; Ariza-Montes et al, 2021; Eiffe, 2021). Working conditions and job quality influence the engagement of workers with their work.

Data from the EWCTS confirm these insights and demonstrate that self-employed people in extremely strained and highly strained jobs tend to report lower engagement than those in less strained or better resourced jobs.

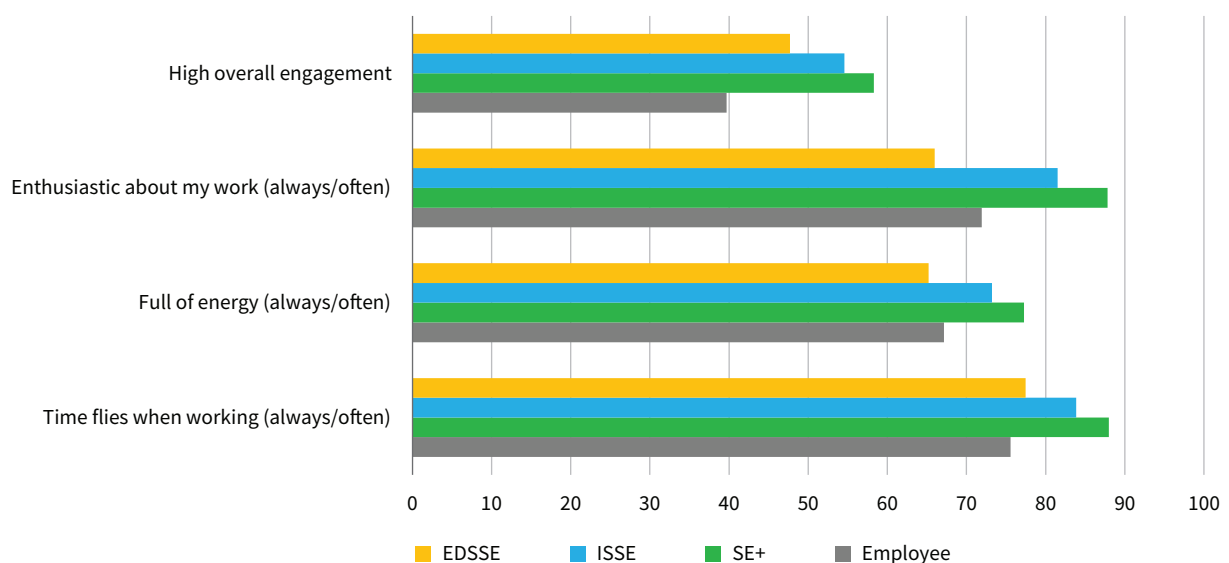
## Health and well-being

Good health and well-being are key factors in sustainable work. Poor job quality and working conditions that cause strain obviously have a negative impact of the sustainability of work. It is a vicious circle, as poor health and well-being also affect a person’s ability to work and efficiency at work. This is true for both employees and self-employed workers.

### Physical health

Health problems are widespread across the EU workforce, and some affect more than half of the population, such as headaches (51%), backache (54%) and upper limb pain (57%), as discussed in Eurofound (2022b). Table 11 shows the extent to which, in each group of self-employed workers, the prevalence of the most common health problems deviated from the average for all workers. It illustrates that health problems varied significantly across groups of self-employed people. The SE+ were less likely than average to suffer from all but three health problems: physical exhaustion, lower limb pain and anxiety. The ISSE had a similar pattern to the SE+ but were generally closer to the average. The EDSSE, on the other hand, were more likely than average to have at least six health problems, and they were particularly likely to experience physical and emotional exhaustion (+15 percentage points) and to be at risk of depression (+6 percentage points).

**Figure 19: Engagement indicators by type of employment, EU27, 2021 (% of workers)**



**Note:** EDSSE, economically dependent solo self-employed; ISSE, independent solo self-employed; SE+, self-employed with employees.  
**Source:** Eurofound, EWCTS 2021

**Table 11: Health problems reported by workers, by type of employment, EU27, 2021 (percentage point difference from average of all workers)**

	SE+	ISSE	EDSSE	Employee
Emotional exhaustion	-1.5	-0.9	-1.2	0.2
Depression	-1.4	-0.9	1.1	0.1
Physical and emotional exhaustion	-1.9	-1.6	14.6	0.0
At risk of depression	-2.8	-1.6	6.0	0.2
Chronic illness	-0.1	0.3	0.1	0.0
Physical exhaustion	8.2	6.9	-6.4	-0.9
Anxiety	1.6	6.6	4.2	-0.8
Lower limb pain	4.1	5.1	4.4	-0.8
Headaches	-5.9	-1.8	-4.6	0.5
Backache	-2.1	0.3	5.1	0.0
Upper limb pain	-2.8	3.3	4.5	-0.2

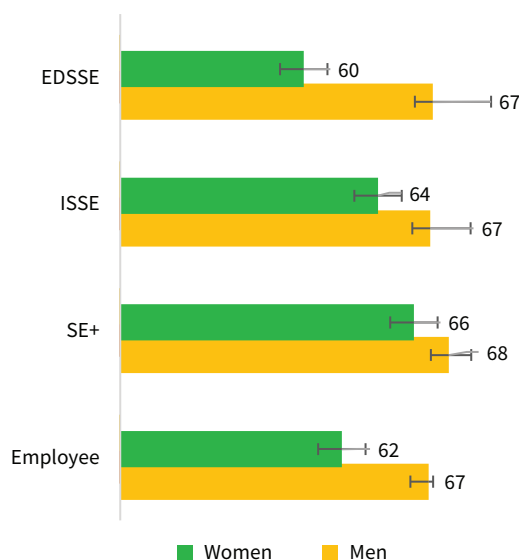
Note: SE+, self-employed with employees; ISSE, independent solo self-employed; EDSSE, economically dependent solo self-employed.  
 Source: Eurofound, EWCTS 2021

### Mental well-being

The EWCTS measured the mental well-being of workers using the WHO-5 Well-being Index, which scores individuals on a scale of 1–100. The average score of workers in the EU was 65. Figure 20 shows the mental well-being scores of the groups of workers broken down by gender. There is a difference in well-being scores across all groups between men and women, with the latter scoring on average much lower. The highest levels of well-being (and the smallest differences between men and women) can be observed among the SE+ (men score 68; women score 66). There are no significant differences between groups of men. The lowest scores for well-being are reported by EDSSE women (60) and women employees (62).

The EWCTS data once more confirmed the relationship between health outcomes and job quality (Eurofound, 2022b). Solo self-employed workers in highly resourced jobs scored 75 on the well-being scale, as did the SE+, whereas self-employed workers in extremely strained or highly strained jobs scored between 56 and 58.

**Figure 20: WHO-5 Well-being Index scores by type of employment and gender (mean with confidence intervals)**



Note: EDSSE, economically dependent solo self-employed; ISSE, independent solo self-employed; SE+, self-employed with employees.  
 Source: Eurofound, EWCTS 2021

## Key takeaways

- The EWCTS found that job quality differed vastly across the various types of self-employment: overall, the EDSSE fared worst on several of the job quality dimensions measured, such as the physical and social environment, task discretion and autonomy, career prospects and intrinsic job quality.
- The highest proportion of strained jobs can be observed among the EDSSE, with EDSSE women more likely than EDSSE men to be affected (58% versus 49%).
- The SE+ were those with the highest work intensity. About 60% reported both working at high speed and working to tight deadlines; only between 41% and 49% of the other groups did so. The SE+ and the EDSSE, were also the most likely to find themselves in emotionally disturbing situations (23% and 24%, respectively).
- The proportions of workers who felt that their work was done well were high across the board, as were those who considered that they were doing useful work. However, the SE+ and the ISSE were the most likely to agree with these statements (95% and 92%, respectively, considered their work well done, and 94% and 92%, respectively, said that they were doing useful work), while employees and the EDSSE were slightly less likely to do so.
- The SE+ were, unsurprisingly, the group in which the highest proportion perceived their pay as appropriate (64%), while only about half of the EDSSE did so (53%). More than half of the EDSSE and 49% of the ISSE could not predict their earnings over the next three months at all.
- Regarding health and well-being, the EDSSE were the most disadvantaged among the self-employed. They were more likely than average to have at least six health problems, and they were particularly likely to experience physical and emotional exhaustion and to be at risk of depression. EDSSE women are particularly likely to be affected by poor mental well-being.



## 4 Income support measures for the self-employed during the pandemic

The COVID-19 pandemic and the public health measures introduced to contain the spread of the virus temporarily stopped or restricted the operation of many economic activities and had a significant impact on livelihoods worldwide. While employment levels among the self-employed remained relatively stable, with only a minor reduction (see Chapter 1), working hours reduced further for the self-employed than for employees, declining by over 7 percentage points in Q2 of 2020 compared to the same quarter of 2019 (-1.9 percentage points for employees on permanent contracts; Eurofound, 2021b). This was largely because the demand shock resulting from lockdowns and social distancing measures was greatest in economic activities with high shares of self-employment (such as accommodation and food services, construction, and arts and entertainment). According to Eurostat data, 44% of self-employed workers were employed in the sectors worst affected by lockdown measures (Battista, 2020).

It is also worth noting that the pandemic increased the exposure of many self-employed workers to occupational safety and health risk factors, as they either were forced to work despite the situation (which in some cases entailed a high level of risk of infection and had to be done despite a lack of personal protective equipment, particularly in the first wave of the pandemic) or could not work (leading to reduced income).

### Immediate financial impact of the pandemic on the self-employed

This reduction in working hours had a significant financial impact that was more pronounced among the self-employed (European Commission, 2021c). As seen in Chapter 3, EWCTS data show that many of the self-employed in general, and the economically dependent in particular, faced difficulty or great difficulty making ends meet, with the economically dependent self-employed almost twice as likely as employees to express this concern. In addition, more than half of the economically dependent self-employed stated that they could not predict their earnings over the next three months (compared with 12% of employees).

This general pattern is also reflected in data from the European Social Survey (ESS), which indicate that the self-employed experienced a worse household financial situation during the pandemic. In 2020, 32% of the

self-employed and 20% of employees reported that their household finances were poor. Nearly 65% of the self-employed reported a worsening in their financial situation during the previous three months, compared with 35% of employees (Nordenmark et al, 2023).

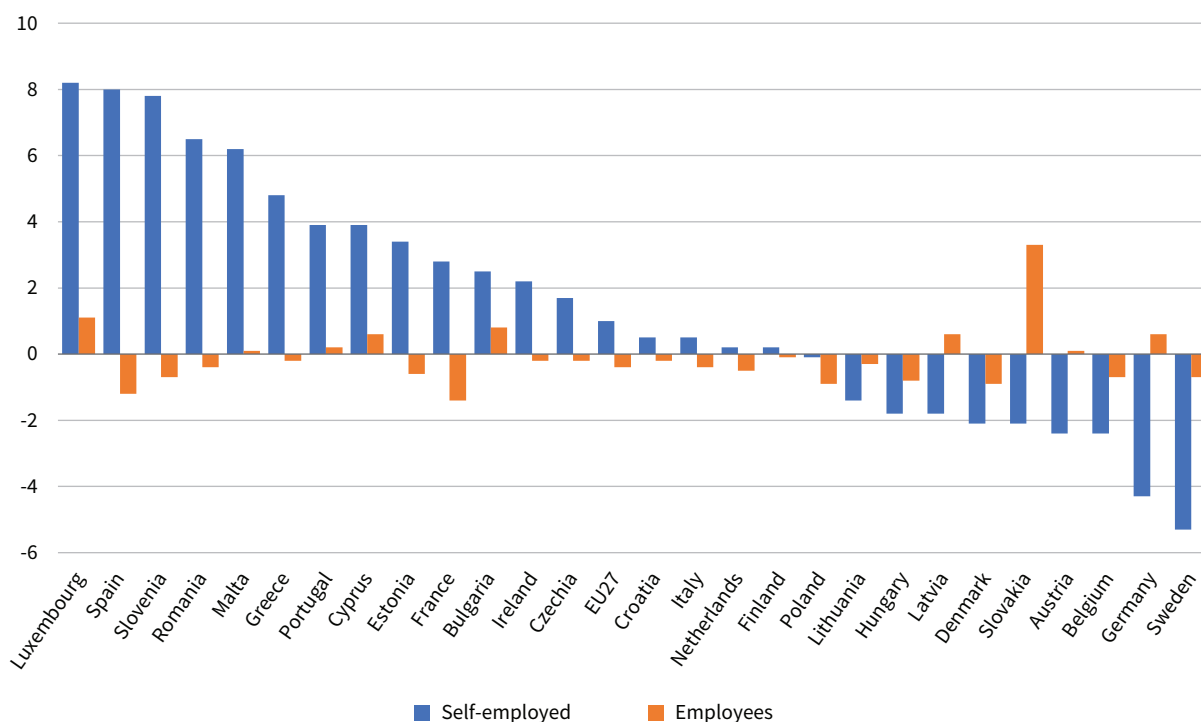
Furthermore, Eurostat data show that, while at-risk-of-poverty rates after social transfers declined slightly among employees in the EU between 2018 and 2020 (-0.4 percentage points), they increased among the self-employed (+1 percentage point) (Figure 21). The self-employed saw at-risk-of-poverty rates rise in 18 Member States, with increases ranging from 0.2 percentage points in Finland and the Netherlands to 8 or more percentage points in Luxembourg and Spain.

The European Commission's monitoring framework on access to social protection for workers and the self-employed measures the receipt of any social benefit (paid at individual level) by people at risk of poverty before social transfers – the rate of self-employed people in receipt of such benefits trebled between 2020 and 2021 (European Commission, 2023a).

Since there are some challenges involved in measuring the income of self-employed people using the European Union Statistics on Income and Living Conditions survey data, it is worth looking at what the survey data reveal about trends in the rates of material and social deprivation for employees and the self-employed. Material and social deprivation is defined as the inability to afford a set of predefined goods, services and social activities that are considered by most people to be desirable or even necessary to experience an adequate quality of life. While in 2014 the rate of material and social deprivation was 3.6% higher among self-employed people than among employees, by 2022 the rates were almost the same (8.4 and 8.3%, respectively). While the rate of material and social deprivation increased from 7.8% to 8.2% for employees between 2019 and 2020, it decreased from 9.3% to 9.1% among the self-employed.

At national level, the French National Institute of Statistics and Economic Studies (INSEE) has found that income from self-employment declined by 5.8% in 2020 and estimates that this decline would have been 4 percentage points greater had it not been for the deferrals of, reductions in and exemptions from social security contributions implemented in 2020 (INSEE, 2022; for more information on measures implemented to support the self-employed, see the sections 'Income protection for the self-employed' and 'Other support measures for the self-employed' below). Among the

**Figure 21: At-risk-of-poverty rates after social transfers among the self-employed and employees, EU27 and Member States (change in percentage points between 2019 and 2021)**



**Note:** At-risk-of-poverty rates were based on annual income in the previous year.  
**Source:** Eurostat, data accessed July 2023

self-employed, the income reduction experienced was greatest at the lowest end of the income distribution, and the number of those who declared that they had no income rose by 65%. Among those worst affected by income reduction were taxi drivers, people working in the arts and entertainment, workers in the hotel, restaurant and catering sector, and hairdressers and beauticians.

Based on data from a large-scale survey in Germany, Kritikos et al (2021) found that self-employed women were 30% more likely to experience income loss during the pandemic than their male counterparts. A similar pattern could not be detected among employees.

These data on the pandemic mirror to a certain extent the situation already in evidence before 2020, demonstrating the greater sensitivity of the self-employed income to economic fluctuations, the large share of self-employed people commanding low incomes (and therefore paying low levels of contributions where they have access to social insurance systems or not meeting the thresholds for paying contributions) and indeed the significant degree of polarisation between high and low incomes among the self-employed (Hiessl, 2022).

Research in Belgium based on 2008–2010 data found that one in eight households with self-employment as a main source of earnings had an income below the at-risk-of-poverty threshold. It also indicated that the

incomes of self-employed people are more sensitive to economic fluctuations (POD Maatschappelijke Integratie, 2014). In Bulgaria, 75% of self-employed people were found to have experienced financial difficulties due to an inability to influence prices, time without clients, or non-payment or late payment by clients (NSI, 2018; Petrov, 2018). Available national-level data also point to low incomes among the solo self-employed in particular. A study in Spain found that 5 out of 10 self-employed workers paid social insurance contributions at the minimum rate. Among those who did so, 85.1% were under 25 years old; the contribution rate increases with the age of the self-employed person. A higher percentage of self-employed women contribute at the minimum rate – 59.2%, compared with 48.8% of self-employed men – due to lower earnings. The study also points to a lack of awareness among self-employed people of their rights under the social insurance scheme (Federación de Trabajadores Autónomos, 2019). Sánchez (2017) demonstrated that the economically dependent self-employed are generally more vulnerable than other groups: 36.4% of this group were in the lowest income tercile, a percentage much higher than the independent self-employed without employees (21.3%), the self-employed with employees (9.5%) or employees (26.1%). Low incomes are also a feature of self-employment in Finland, with 23% of the self-employed declaring that they earn less than €1,000 per month and a further 21% earning



between €1,000 and €2,000 per month (the median income being €2,968) (Suomen Yrittäjät, 2022). Grgurev and Vukorepa (2018) report similar findings for Croatia, stating that the at-risk-of-poverty rate in the country is significantly higher among self-employed people than among employees. This also contributes to high rates of poverty in old age among this group.

However, there are also some indications that data on the incomes of the self-employed themselves (rather than their household incomes) do not always convey the full picture. Landour and Mias (2022) have found that in France, three years after establishing their business, 90% of micro-entrepreneurs earn less than the legal minimum wage. On this basis, the paper explores to what extent the creation of a micro-business – and self-employment, which is often conducted under conditions of client dependency – worsens living and working conditions for the self-employed. It concludes that self-employment in a micro-business does not necessarily lead to a deterioration in living conditions; this depends on overall household income. Landour and Mias highlight the importance of other sources of economic and social support to mitigate the precarious aspects of self-employment status. In essence, a retirement pension, a spouse's salary and personal assets are the main means of ensuring that one can subsist on the income from a relatively new micro-business.

Investigating the financial resilience of the self-employed in the Netherlands, one study looked at how the loss of entrepreneurial income is compensated for by an increase in other sources of income and/or mitigated using financial household reserves. Similar to the French study, it found that, even among groups of self-employed people holding limited financial assets, the share of those claiming social assistance benefits following business failure was below 3%. Among those self-employed people with no financial buffer (around 18%), the research found that a significant increase in personal and partner's income from employment tended to make up for the loss of income from self-employment. The same was true among self-employed people with disability insurance and a partner's income (17%). Among self-employed people whose partner had a relatively high income before the collapse in their own income from self-employment (around 28%), any shortfall was compensated for by an increase in personal income from employment. Among the remaining groups of self-employed people, with relatively high financial capital reserves and/or a partner's income, the pattern was that households dug into their capital after the loss of an entrepreneurial income (Panteia, 2020).

Another element impacting on take-up of social protection benefits relates to transparency and individuals' awareness of their rights. Articles 15 and 16 of the 2019 Council recommendation call on Member States to ensure that the conditions and rules for social protection schemes are transparent, that individuals have access free of charge to the relevant 'updated, comprehensive, accessible, user-friendly and clearly understandable' information and that 'administrative requirements' are simplified. A recent report by the European Social Policy Network looks at relevant measures put in place and generally notes improvements in the provision of digitalised, easily accessible information but also argues that access for certain vulnerable groups, including the self-employed, could still be improved (Spasova et al, 2023).

## Concerns about future job security and life satisfaction

A higher share of self-employed people than employees reported during the pandemic that they feared losing their jobs. As seen in Chapter 3, self-employed people with employees were three times more likely than employees to report that they could not predict their earnings over the next three months (37% versus 12%). This figure rose to 52% among the economically dependent self-employed. ESS data from 2020 show that 50% of self-employed people worried about their work, compared with 27% of employees. Among the self-employed, 22% stated that they had experienced job insecurity during the pandemic (compared with 13% of employees).

The greater increase in financial and job insecurity among self-employed people during the pandemic was also reflected in indicators of broader life satisfaction, particularly during the early phase of the pandemic. While the 2018 ESS showed higher levels of life satisfaction among self-employed people than among employees, this situation was reversed during the pandemic in 2020. Although satisfaction declined for both groups, the reduction was greater among the self-employed. These lower levels of life satisfaction can largely be attributed to a worse household financial situation and greater concerns about their job than those experienced by employees (Nordenmark et al, 2023). A spillover effect of this reduced life satisfaction can be seen in a more significant deterioration in mental health among the self-employed than among employees (Caliendo et al, 2022; Torrès et al, 2022). As reported in Chapter 3, EWCTS data show that the lowest well-being scores were found among economically dependent self-employed women.

## Income protection for the self-employed

A feature of governments' responses to the COVID-19 pandemic was the extension of income and social protection to groups not previously covered, including atypical workers and the self-employed. While such measures were not strictly linked to social protection schemes in the case of short-time work, the extension or introduction of income protection schemes through some form of short-time work/temporary unemployment protection for self-employed people was used alongside various business support schemes to cushion the impact of public health protection measures on businesses. Such support measures were arguably particularly critical for the solo self-employed and micro-companies, as low levels of capitalisation among these groups meant that even a short-term reduction in turnover could prove an existential threat.

Governments in the majority of Member States recognised the significant impact of the pandemic on the self-employed and implemented unprecedented income support measures (Eurofound, 2020, 2021c; Spasova et al, 2021), which were akin to short-time work or temporary unemployment schemes but generally offered lower rates of support than those provided to employees (Bruegel, 2020; Eurofound, 2021c). Eligibility criteria linked to sectoral restrictions, income reduction thresholds and the financial health of the business before the pandemic also meant that some groups of self-employed people were excluded from support (Eurofound, 2021c). Particular problems arose for those with short work histories in self-employment, those coming off career breaks and other self-employed people whose earnings during the assessment period were below average (OECD, 2020, 2022). The reference periods established by some governments also created challenges in accessing support. In Slovenia, for example, the first COVID-19 law (of 10 April 2020) specified a reference period of one year for companies and one month for self-employed people with regard to measuring the reductions in revenue required to establish eligibility. This led to protests by organisations representing the culture sector in particular. A number of surveys conducted among self-employed people showed that between 25% and 84% of those active in various sectors considered themselves to be ineligible for support under the law. The second COVID-19 law (of 30 April 2020) subsequently changed these eligibility criteria to make access easier.

Furthermore, replacement rates and the duration of support were less generous for the self-employed than for employees. However, general schemes introduced to benefit the self-employed were often supplemented with specific schemes for workers in the arts and culture sector and other vulnerable groups. It must of course be borne in mind that such income support measures were

in many cases combined with measures to support businesses, such as low-interest loans and deferrals of social security and other financial obligations (see the section 'Other support measures for the self-employed' below). Baptista et al (2021) emphasise that such costly support measures needed to be taken because social insurance coverage was insufficient, meaning that society did 'not benefit from the risk-sharing and solidarity which exists when a wider population is insured' and making taxpayers 'de-facto insurers' (Baptista et al, 2021, p. 23, citing Schoukens, 2020).

In a number of countries, income support measures for the self-employed were introduced only after support measures for employees had been extended or introduced and after deferrals of tax or social insurance costs and low-cost loan facilities had been implemented, and often as a result of pressure from business groups. The introduction of such other measures preceded the introduction of income support measures by a number of weeks, leaving many vulnerable self-employed people largely without protection (Eurofound, 2021c). This forced some to fall back on savings (where available) and reduce expenditure in the private sphere to shore up their business (Block et al, 2021). The slower speed of response was partly a result of existing income support measures being in place for employees in many Member States, which could more readily be activated or expanded. However, it was also shaped by a historical reluctance to offer such support to the self-employed, as it is ostensibly more difficult for them to show that a reduction (or collapse) in income is not due to inadequate efforts or a bad business strategy. The impact of the pandemic health measures rendered the argument for (temporary) support in this area easier to make. The speed with which measures had to be introduced led many countries to introduce flat-rate payments to self-employed workers, rather than basing the level of support on past earnings or crisis-related losses. The rapid introduction of schemes taking such factors into account was challenging in the absence of clear systems to determine prior earnings. Only Austria, Cyprus, Denmark, Latvia, the Netherlands, Romania and Slovakia offered payments linked to previous income or reduction in revenue, with upper and lower limits for support in most of these countries (see Table 12 and Table A1 in Annex 1).

### Coverage and eligibility criteria

#### Sectoral focus

While most support schemes were open to self-employed people in all sectors, in some instances payments were (initially) limited to those whose activities had had to cease entirely, with those suffering only partial losses not covered. This was the case in Hungary, Ireland and Romania, which initially provided support only to those self-employed people affected by closure orders. Other countries developed income

replacement schemes only for self-employed people in specific sectors – such as the arts, entertainment and culture, which tended to be particularly badly affected by restrictions on gatherings during the pandemic – leaving many self-employed people working in other sectors, whose activities were also limited, without support beyond universal social assistance schemes (often means-tested and therefore only available once other resources had been depleted). For example, in Bulgaria financial assistance for the self-employed was available only to artists with average monthly incomes of less than €500 per month in 2019 and not benefiting from other forms of financial support. In Estonia, income support schemes were limited to freelancers in the creative industries and small and medium-sized enterprises (SMEs) in tourism, the hotel, restaurant and catering sector, and events. In Croatia, income support measures for the self-employed were also limited to the arts and entertainment sector, offering flat-rate benefits from March to June 2020.

As health restrictions began to be lifted, support measures were restricted to a more limited number of sectors that continued to be affected by public health restrictions. For example, the French solidarity fund for small companies was initially accessible to all entrepreneurs able to demonstrate the required economic impact. From June 2020, this was limited to those in the worst-affected sectors, including the hotel, restaurant and catering sector. A similar approach was taken in Belgium with regard to its income replacement scheme for the self-employed. In Poland, the ‘anti-crisis shield’ measures were initially open to self-employed people and freelancers earning less than the average salary multiplied by three. This restriction was subsequently removed, but after October 2020 support from this scheme was accessible only to those in the tourism and events sectors.

Some countries introduced schemes for specific sectors and occupations in addition to more general support measures. A feature of the support provided to the self-employed in the arts and entertainment sector was its one-off grant-based nature, which arguably did not provide the same amount of reassurance as ongoing monthly support at a time when it was uncertain how the pandemic would develop. The Austrian measure, ‘the COVID arts and culture safety net for the self-employed’, was available between March 2020 and March 2023 to those in the sector no longer able to cover their living costs, and provided an annual lump sum, the size of which depended on the extent of restrictions on the sector in 2020, 2021 and 2022. Cyprus developed a range of measures mainly aimed at those working in the tourism and events sectors and in private language and dance schools, which were in force only during periods when significant restrictions were in place. Czechia also opened a short-term scheme (maximum support duration of two months) for self-employed workers in the culture sector, offering

payments of different amounts depending on the level of income loss. Denmark offered artists (with annual earnings between €13,000 and €107,000) suffering from the cancellation of events a one-off payment covering 75% of lost income up to a maximum in line with the compensation available to employees. Finland also offered grants to the self-employed in the arts between April 2020 and June 2021. Latvia provided specific schemes for the creative sectors and the beauty industry; self-employed workers in the former were entitled to one-off grants, while those in the latter were eligible for payments of 50–70% of their average income. Portugal devised specific support measures for self-employed people in the performing arts.

### Groups of the self-employed covered

Most of the measures implemented were accessible to self-employed people with employees and solo self-employed people (including freelancers). However, a number of income support schemes focused on the solo self-employed (for example, general schemes in Germany, Poland, the Netherlands and Romania, and schemes for specific occupations in Bulgaria, Croatia, Cyprus, Czechia and Finland). Size thresholds in the form of limits on the number of employees applied to measures supporting entrepreneurs with employees in Denmark and Greece.

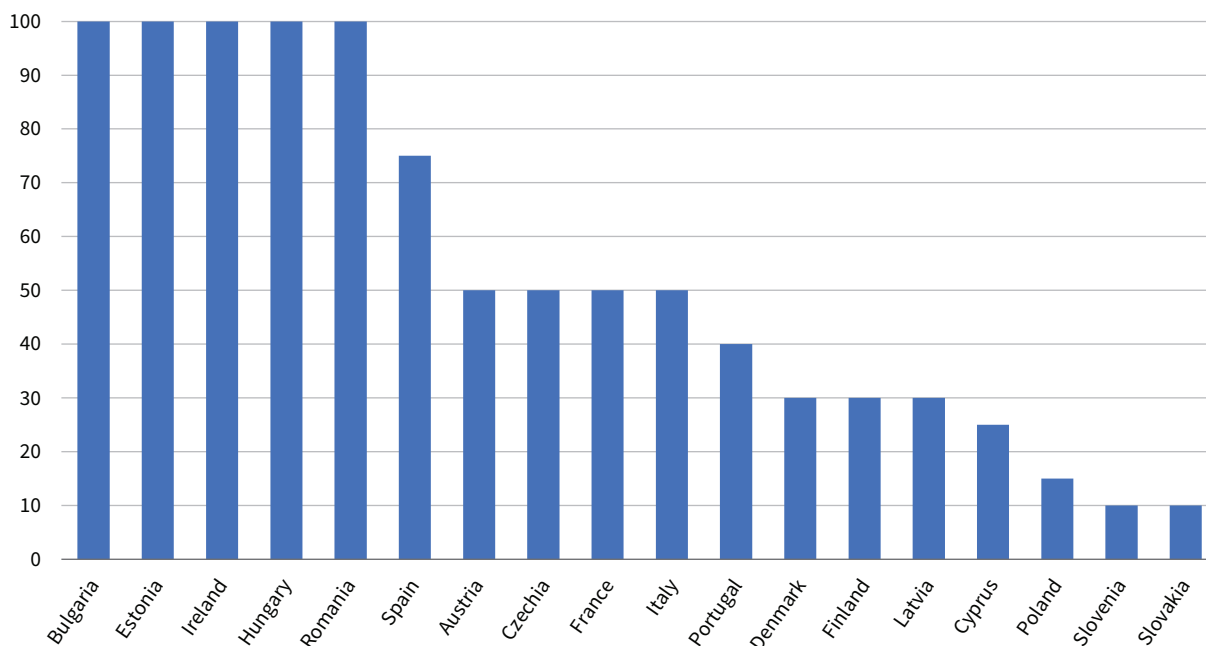
Overall, support was not strictly limited to those for whom self-employment was the sole source of income (although this was the case in Finland, the Netherlands and Romania), but maximum earnings thresholds applied for earnings from other activities and the types of earnings that could be combined, for example in Austria, Belgium, Czechia, France, Latvia, Portugal and Spain (Eurofound, 2021c). Czechia, Greece, Poland and Portugal did not allow income support measures for the self-employed to be combined with other forms of government support. Where this was allowed, such other earnings could be taken into account when determining eligibility and level of support (for example, in the Netherlands).

Minimum and maximum earnings thresholds from self-employment were used as a way of excluding from support those for whom income from self-employment was very marginal or whose incomes pre-pandemic were very high. Such upper and lower eligibility ceilings also meant that those with the smallest incomes could find themselves ineligible, while those potentially suffering the greatest numerical losses were expected to rely on earnings accumulated in previous years.

### Income reduction thresholds

Access to income support measures was further restricted to those able to demonstrate a loss of income above a certain threshold. In general, these thresholds were lower at the start of the pandemic and increased as restrictions began to lift and activity became possible again in many sectors.

**Figure 22: Minimum income or turnover loss required to access self-employment income support schemes during the early phase of pandemic (first half of 2020) (%)**



**Note:** The figure only includes Member States for which data are available.

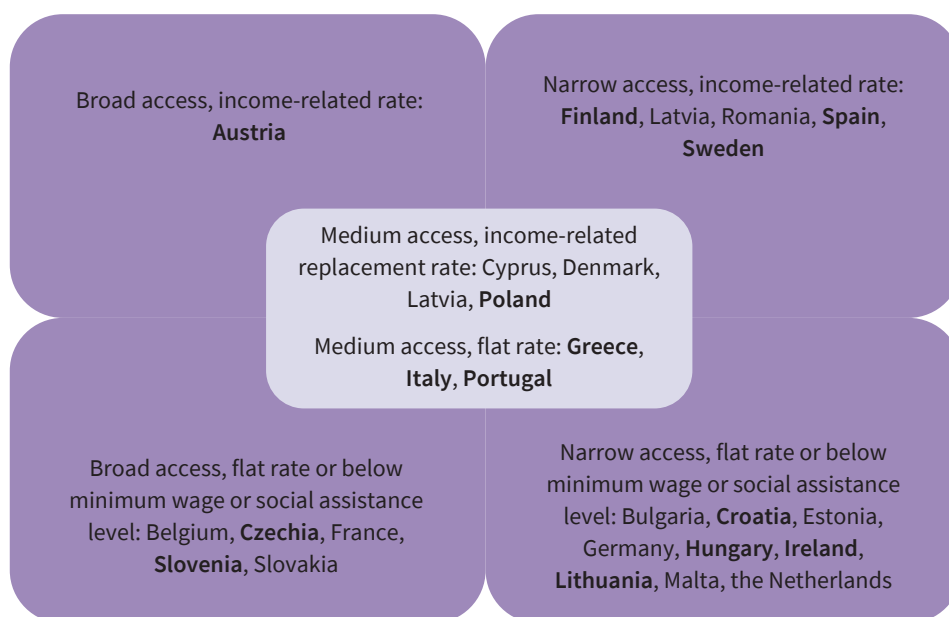
**Source:** Eurofound, COVID-19 EU PolicyWatch database and contributions from the Network of Eurofound Correspondents to this study.

The schemes in Bulgaria, Estonia, Ireland, Hungary and Romania were available only to individuals or businesses prevented from operating due to public health restrictions (Figure 22). In Spain, a minimum 75% reduction in income had to be demonstrated to access income protection for self-employed workers and freelancers. This figure stood at 50% for access to the hardship fund in Austria, the compensation bonus for the self-employed in Czechia, the solidarity fund for the self-employed in France and the COVID-19 indemnity for the self-employed in Italy. Income reduction of 30% or less was sufficient to access support measures in Denmark (temporary compensation scheme for the self-employed), Finland (temporary recognition for

access to unemployment benefit), Latvia (idle time allowance for the self-employed), Cyprus (special scheme for the self-employed), Poland (anti-crisis shield), Slovakia and Slovenia. A number of countries, including Austria, Latvia, Slovakia and Slovenia, increased the thresholds after the most severe lockdown restrictions were lifted.

The abovementioned eligibility criteria precluded some groups of self-employed people from benefiting from these income protection support measures. Figure 23 shows countries grouped based on the assistance provided in terms of breadth of access and level of income replacement.

Figure 23: Categorisation of income replacement schemes for the self-employed, by Member State



**Note:** The countries in bold had contribution-based unemployment schemes for at least some groups of self-employed people in place before the pandemic (see Chapter 5).

**Source:** Authors

### Replacement rates

In more than half of Member States, income replacement was paid at a flat rate (not income related, same payment to all) to the self-employed, while in all but four countries short-time work or similar allowances

for employees were income related and paid at a rate of between 50% and 100%, depending on the country and phase of the pandemic (Table 12). This meant that income reductions were generally greater after income support among the self-employed.

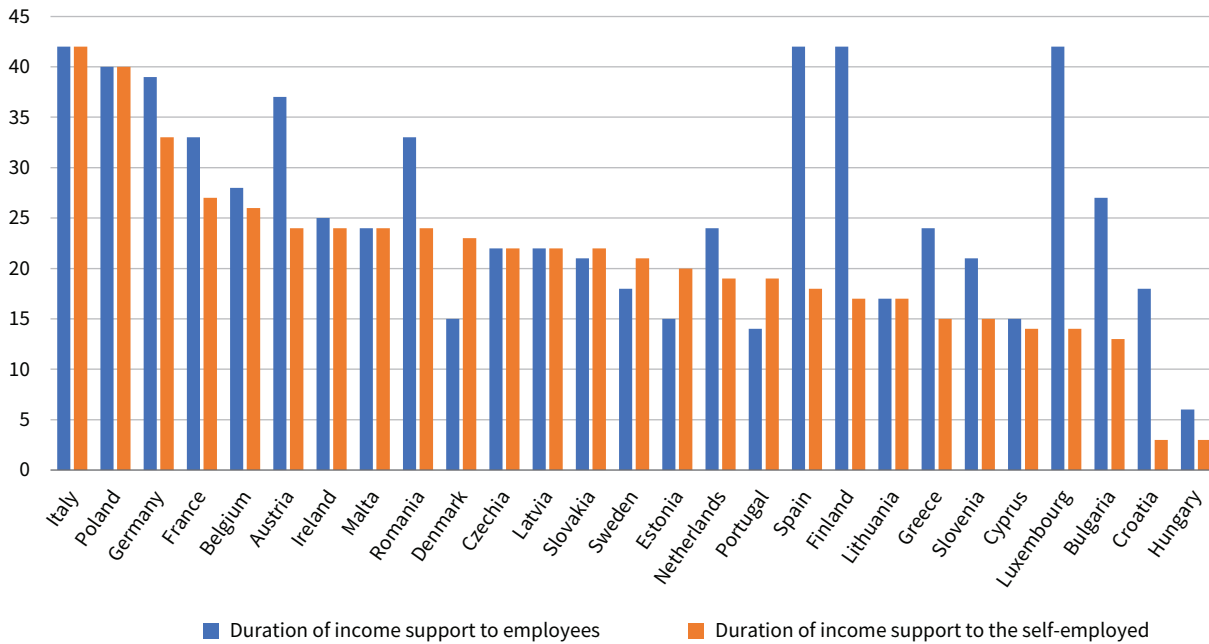
Table 12: Income replacement rates for employees and the self-employed, by Member State

Country	Replacement rate for employees	Replacement rate for the self-employed	Country	Replacement rate for employees	Replacement rate for the self-employed
Austria	80–100%	Income dependent	Ireland	Flat rate	Flat rate
Belgium	70%	Flat rate	Italy	80%	Flat rate
Bulgaria	100%	Flat rate	Latvia	75%	50–75%
Croatia	Flat rate	Flat rate	Lithuania	70–90%	Flat rate
Cyprus	€356–€1,214	60%	Malta	Sector dependent	Sector dependent
Czechia	100%	Flat rate	Netherlands	80%	Means-tested
Denmark	75%	75%	Poland	80%	80%
Estonia	50–70%	Flat rate	Portugal	66%	Flat rate
Finland	60%	Flat rate	Romania	75%	75%
France	60–70%	Flat rate	Slovakia	80%	Income dependent
Germany	60–87%	Flat rate	Slovenia	80%	Flat rate
Greece	60%	Flat rate	Spain	50–70%	50–70%
Hungary	70%	Flat rate	Sweden	93–96%	75%

**Note:** No income replacement scheme was reported in Luxembourg.

**Source:** Eurofound, COVID-19 EU PolicyWatch database and contributions from the Network of Eurofound Correspondents to this study

**Figure 24: Duration of income support schemes for employees and the self-employed, by Member State (months)**



Source: Eurofound, COVID-19 EU PolicyWatch database and contributions from the Network of Eurofound Correspondents to this study

**Duration of measures**

Another difference in the availability of income support measures to employees and to the self-employed was the duration for which the schemes were available. In most cases, access to financial support schemes remained open for a longer period for employees than for the self-employed (Figure 24). The average duration for which support schemes for the self-employed remained in place during the pandemic was 21 months, compared with 26 months for employees. In calculating this, it must be borne in mind that in a number of countries short-time work schemes are available on a permanent basis, although many of these were temporarily amended during the pandemic. For illustrative purposes, it has been assumed that such schemes were accessible from March 2020 to August 2023 (at the time of writing in Q3 2023).

All but 3 of the 19 Member States that availed themselves of assistance from the European Instrument for Temporary Support to Mitigate Unemployment Risks in an Emergency (SURE) used this funding to support the self-employed. The vast majority of the €98.4 billion provided by SURE was allocated to short-time work and similar measures, including for the self-employed (European Commission, 2023c). Close to 50% of total public expenditure on SURE-eligible measures was spent on short-time work schemes, which 16 of the 19 Member States funded using SURE. A further 31% was allocated to similar measures for the self-employed. The Commission estimates that 22.25 million employees and 9.25 million self-employed workers benefited from measures supported by SURE (meaning that 13% of employees and 35% of the self-employed benefited).

**Take-up and expenditure**

No complete and harmonised data are available on the level of take-up of and expenditure on income support measures for the self-employed. Based on the data provided by the Network of Eurofound Correspondents for this report, close to 8 million self-employed people were supported during the pandemic (data are missing for Germany, Ireland, Italy, Malta and Poland and are not available for all the measures included in Annex 1) at a cost of around €25 billion. These figures must, however, be treated with caution, not least because of the missing information on some large countries.

Using data from Eurofound’s COVID-19 EU PolicyWatch database and the European Commission Social Protection Committee’s winter 2020/21 monitoring report, the March 2021 quarterly *Employment and Social Developments in Europe* report highlighted that in four Member States 50% of self-employed people received income support between March and October 2020; the report notes that these rates were often higher than the proportions of employees having benefited from short-time working schemes or similar measures (European Commission, 2021c).

## Other support measures for the self-employed

In addition to these extraordinary – and in most cases temporary – income support measures, other types of support were implemented during the pandemic to assist self-employed people and their businesses. These included low-cost loans and the deferral of financial obligations in relation to tax, social insurance and other payments (Table 13). As indicated above, such measures were introduced in most countries in advance of income support measures to ensure company survival and retention of employment (Eurofound, 2020).

Furthermore, adjustments were made to the rules governing social insurance-related benefits because, as mentioned above, the pandemic served to expose pre-existing gaps in social protection systems. Such systems largely function well for employees with stable work histories. In many countries, the self-employed have limited or no access to employment retention, unemployment protection and sickness benefit schemes (or such coverage is voluntary and often separate from the schemes covering employees).

Reasons for this include the perception that a decision not to insure oneself against unemployment or sickness is part of the entrepreneurial risk that self-employed people may choose to take on and that therefore the choice is to be left to the individual. Another reason is the fear of moral hazard (European Commission, 2023b). In the case of unemployment benefits, it is arguably more difficult to distinguish the impact of demand fluctuations from that of voluntary idleness in the case of the self-employed, and efforts to re-establish business operations are more difficult to monitor than the search for dependent employment (OECD, 2020). The building up of a good and stable contribution record can also be hampered by the fact that self-employed people often have earnings that fluctuate significantly, thus complicating the calculation of contributions and entitlements.

Self-employed people without, or lacking sufficient, levels of social insurance coverage are often required to rely on social assistance payments. However, such benefits are often means-tested and can therefore fail to provide rapid immediate relief to self-employed workers who see their income suddenly fall away. Particular problems also arise for self-employed people who have failed to declare their full income for tax purposes.

**Table 13: Member States implementing other support measures for the self-employed**

Support measures for the self-employed	Countries having those measures
<b>Business support</b>	
<b>Deferral of tax liabilities, including VAT</b>	Austria, Belgium, Bulgaria, Cyprus, Croatia, Czechia, Denmark, Estonia, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden
<b>Deferral of social insurance payments</b>	Austria, Belgium, Cyprus, Czechia, Estonia, France, Greece, Italy, Luxembourg, Malta, Portugal, Slovakia, Slovenia, Spain, Sweden
<b>Access to finance</b>	Austria, Belgium, Bulgaria, Croatia, Czechia, Denmark, Estonia, Finland, France, Germany, Hungary, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Romania, Sweden
<b>Subsidies</b>	Austria, Belgium, Bulgaria, Croatia, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Portugal, Slovenia, Spain, Sweden
<b>Social insurance</b>	
<b>Access to unemployment benefits (extended)</b>	Finland, Greece, Ireland, Latvia, Lithuania, Luxembourg, Poland, Slovakia, Slovenia, Spain, Sweden
<b>Access to sickness benefits (extended)</b>	Austria, Cyprus, Denmark, Finland, France, Germany, Hungary, Latvia, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Sweden
<b>Access to other special benefits (parental, hardship and so on)</b>	Austria, Belgium, Bulgaria, Czechia, Denmark, France, Italy, Luxembourg, Slovakia

Source: Eurofound, COVID-19 EU PolicyWatch database

In the sections below, extensions to unemployment and sickness benefits that were implemented for the self-employed during the pandemic are summarised.

### Unemployment benefits

In Member States where self-employed people were mandatorily included in unemployment benefit schemes before the pandemic, COVID-19 measures extended benefit receipt to all (Luxembourg, Slovakia, Slovenia), reduced qualifying conditions (Finland, Sweden), increased benefit levels (for instance, Austria, Ireland, Malta, Poland, Slovenia) and reduced or abolished waiting periods (Finland, Ireland, Sweden).

Most Member States that provided voluntary (additional) access to unemployment benefits to the self-employed relaxed eligibility conditions such as waiting periods and ‘cessation of activity’ requirements (for instance, Denmark, Finland, Spain, Sweden). This allowed recipients to continue some activities as long as they were needed to enable the restarting of operations when conditions improved (Spasova et al, 2021).

Among the countries that did not provide formal access to unemployment benefits to the self-employed, Lithuania offered self-employed people access to a flat-rate benefit (the jobseeker’s allowance), given that they had paid social insurance contributions to other social protection schemes that are mandatory in the country (such as for sickness benefits). Belgium opened up eligibility to broad professional groups of self-employed workers in the cultural sector, Italy protected so-called ‘para-subordinate contractors’ and Latvia extended eligibility to people working under certain tax regimes, including micro-entrepreneurs (Baptista et al, 2021).

### Sickness benefits

When considering compensation during sickness, it is important to distinguish between sick pay and sickness benefits. Sick pay relates to the continued payment of a workers’ salary by the employer during a period of sickness (and is therefore limited to employees), whereas sickness benefits are provided by the social protection system and paid as a share of previous earnings or as a flat-rate amount (Spasova et al, 2017). More than one-third of the self-employed in the EU are not eligible for sickness benefits, with considerable variation across countries (Matsaganis et al, 2016).

During the pandemic, 13 Member States instituted additional income protection for self-employed workers, extending their sickness benefits to include periods of quarantine (Austria, Denmark, Finland, France, Germany, Hungary, Latvia, Malta, Poland, Romania, Slovakia, Sweden) and/or self-isolation if they belonged to an at-risk group. In countries without mandatory access to sick pay for employees and where both employees and self-employed people had direct access to sick pay systems, such benefits were extended to periods of quarantine (Cyprus, Ireland, Portugal) and/or self-isolation (Cyprus). In Spain, periods of self-isolation or infection with COVID-19 were temporarily equated to accidents at work and both employees and the self-employed had access to the relevant sickness benefits.

Waiting periods for access to sickness benefits for the self-employed were waived or reduced in cases of COVID-19 infection or quarantine (Cyprus, Denmark, Finland, Ireland, Latvia, Portugal, Spain). Some countries reduced these for any kind of sickness (Estonia, France, Spain). Higher replacement rates were offered for COVID-19-related sickness absence (Finland, Ireland, Latvia, Portugal, Slovakia, Spain) and administrative requirements were eased in a number of countries. The period of receipt of sickness benefit was extended in some countries (Denmark, France, Ireland, Italy, Luxembourg, Latvia, Portugal, Romania).



## Key takeaways

- During the pandemic, working hours reduced further for the self-employed than for employees.
- This had significant financial implications for self-employed people, as reflected in EWCTS data, which show that the self-employed in general, and the economically dependent self-employed in particular, faced greater difficulties in making ends meet.
- More than half of the economically dependent self-employed stated that they could not predict their earnings over the next three months (compared with 12% of employees).
- Eurostat data show that, while at-risk-of-poverty rates after social transfers declined slightly among EU employees between 2018 and 2020 (-0.4 percentage points), they increased among the self-employed (+1 percentage point). During the same period, rates of material deprivation reduced for the self-employed and rose for employees.
- Indicators of life satisfaction are usually higher among self-employed people than among employees, but this was reversed during the pandemic, which was also reflected in more severely deteriorating mental health indicators for the self-employed.
- Despite the unprecedented income and social protection support extended to the self-employed during the pandemic, the financial challenges faced by self-employed people (and, it should be mentioned, some categories of employees who were also insufficiently covered by social protection systems) can be attributed to both lower levels of social protection before (and after) the pandemic and to the delayed introduction, shorter duration, tighter eligibility criteria and lower replacement rates offered to self-employed workers.
- More than half of Member States paid income support to self-employed workers at a flat rate, while short-time work payments to employees in all but four countries were linked to incomes (at various rates).
- The average duration for which income support schemes for the self-employed were in place was six months shorter than that of those for employees.
- Income support measures were often combined with general business support measures (deferral of liabilities, access to finance and subsidies) and the provision or extension of access to social insurance benefits as part of pandemic mitigation measures.



# 5 Social protection for self-employment: Lessons from the pandemic for policy

Social protection systems in the EU and around the world were largely designed with dependent employment and the standard wage earner in mind (Barrio and Schoukens, 2017). The historical lack of coverage for the self-employed is also related to the perception that certain groups are in a good financial situation due to their relatively high earnings and therefore will wish to – or are perceived to be able to – establish their own financial safety net. In relation to unemployment benefits, the reasons for lack of coverage are related first to the view that the self-employed have chosen to take economic risks, with one of these risks being business failure due to a lack of economic success. Second, the risk covered by unemployment benefits was supposed to be of an involuntary character (unemployment being out of the control of the employee), with the view taken being that the reasons for closing a business were more difficult to determine (Weber and Schoukens, 2020). In relation to sickness benefits, the reason many systems exclude the self-employed from compulsory coverage relates to the nature of the underlying social risk, which could be argued to be different for employees and the self-employed. For employees, sickness leads to a loss of work capacity, whereas for the self-employed work incapacity does not necessarily lead to a loss of income, for example if employees continue to work for them or if family members step in on a temporary basis. Furthermore, in many systems, the employer is initially responsible for covering wage costs for an initial period of sickness before sickness benefits become available, which does not apply to the self-employed (Schoukens, 2022). In terms of accidents at work, many schemes covering benefits relating to these were originally designed on the assumption that responsibility for accidents at work could be assigned to the employer. This approach has shifted, but most self-employed people are still excluded from compulsory protection in most EU countries.

A recent behavioural study found that self-employed individuals are more likely than employees to be concerned about lack of financial security in old age and about unemployment, and that the self-employed are also more likely to accept the need to pay for insurance against these risks (Codagnone et al, 2018).

Gaps in social protection can also arise from the categorical design of social protection systems, which are sometimes based on coverage of different

professional groups, thus covering some – but not all – groups of self-employed people. Income thresholds can also pose difficulties, particularly for self-employed people with low earnings and an irregular flow of income. As a result of all this, self-employed people in the EU continue to face significant social protection gaps.

In addition, more recent discussion has focused on the blurring of the boundaries between employment, self-employment and bogus self-employment, particularly in connection with the rise in platform work, which will be discussed separately in Chapter 6. These challenges were acknowledged in the European Pillar of Social Rights and the Council recommendation on access to social protection for workers and the self-employed workers. This chapter discusses recent changes to social protection coverage for the self-employed, over the past six years (since the publication of the 2017 Eurofound report on the situation of the self-employed in the EU), with a specific focus on unemployment, sickness and accident-at-work benefits. It also charts shifts in the debate in the aftermath of the COVID-19 pandemic, which served to throw light on existing gaps in coverage.

## Increased coverage of the self-employed by national social protection systems: Recent developments

In 2022, gaps in at least one of the branches of social protection that this report focuses on were considered to persist in 19 Member States. An analysis of the national implementation plans submitted by the Member States following the 2019 Council recommendation concludes that, although almost all Member States refer to remaining gaps in access to social protection coverage for the self-employed in their plans, only half of them target all groups and types of gaps in their proposed actions. Almost all policy attention is focused on formal coverage, with significantly less heed paid to effective coverage, adequacy and transparency – the other areas for attention outlined in the Council recommendation. Measures specifically aimed at the self-employed are mentioned by 17 Member States. Twelve countries have introduced structural reforms extending formal social

protection coverage to the self-employed (France, Italy, Malta, Ireland) or are planning such changes (Belgium, Cyprus, Estonia, Greece, Lithuania, Luxembourg, the Netherlands, Romania) (European Commission, 2023b).

This chapter explores access to three branches of the social protection system: unemployment benefits, sickness benefits and accident-at-work benefits. It charts changes in provision during the pandemic and in particular focuses on recent or planned changes in access to these benefits at Member State level. As a

result, not all countries are covered in detail in subsequent sections, since the focus is on countries where changes have been introduced.

These three branches were selected for two reasons: their relevance during the pandemic and the fact that it is these elements of the social protection system to which access for the self-employed has historically been most limited (European Commission, 2023a). Table 14 provides an overview of access to these forms of social protection in the Member States in 2022.

**Table 14: Overview of access to three branches of social insurance, EU27, status autumn 2022**

Member State	Unemployment benefits	Sickness benefits	Accident-at-work benefits
<b>Austria</b>	Compulsory for freelancers, voluntary for the self-employed and those in liberal professions, no scheme for farmers	Compulsory, no scheme for farmers	Compulsory, including farmers
<b>Belgium</b>	Bridging right ( <i>droit passerelle</i> )	Compulsory, but differences between those who are self-employed as a main or secondary occupation and for self-employed students or artists	No scheme, but coverage through sickness and invalidity insurance
<b>Bulgaria</b>	No scheme	Voluntary	No scheme
<b>Croatia</b>	Compulsory (non-contributory)	Compulsory	Compulsory
<b>Cyprus</b>	No scheme	Compulsory	No scheme
<b>Czechia</b>	Compulsory	Voluntary	No scheme
<b>Denmark</b>	Voluntary	Compulsory	Voluntary
<b>Estonia</b>	No scheme (only unemployment assistance)	Compulsory	No scheme
<b>Finland</b>	Compulsory (flat rate) and voluntary (income related)	Compulsory	Voluntary (compulsory for farmers and athletes)
<b>France</b>	No general scheme, but social assistance is available for those whose companies are undergoing liquidation; voluntary for other self-employed people	Compulsory for the self-employed and farmers, voluntary for those in liberal professions	Voluntary; compulsory scheme for farmers
<b>Germany</b>	Voluntary (means-tested unemployment assistance available)	Compulsory for self-employed artists and others with statutory pensions insurance; voluntary for the self-employed and those in liberal professions; no scheme for farmers	Voluntary, some professional associations ( <i>gesetzliche Unfallversicherungsträger</i> ) offer specific schemes; compulsory for farmers
<b>Greece</b>	Compulsory, no scheme for farmers	Compulsory schemes for various professions	No schemes, except for those belonging to hazardous professions (such as trades), but all are covered by universal healthcare and invalidity insurance
<b>Hungary</b>	Compulsory, no scheme for farmers	Compulsory	Compulsory
<b>Ireland</b>	Compulsory	No scheme, apart from voluntary opt-in for fishers	No scheme
<b>Italy</b>	No scheme, except a compulsory scheme for the newly self-employed	No scheme, except a compulsory scheme for the newly self-employed	Compulsory for most, but no scheme for those in liberal professions or some trades
<b>Latvia</b>	No scheme	Compulsory for those paying higher rates of social contributions	No scheme
<b>Lithuania</b>	Compulsory for owners of enterprises and members of partnerships; no scheme for those in liberal professions, artists or farmers (only unemployment assistance)	Compulsory (except for those working under a business certificate)	No public scheme
<b>Luxembourg</b>	Compulsory	Compulsory	Compulsory

Member State	Unemployment benefits	Sickness benefits	Accident-at-work benefits
Malta	Compulsory for 'self-occupied'	Compulsory for 'self-occupied'	Compulsory for 'self-occupied'
Netherlands	No scheme (means-tested unemployment assistance)	Voluntary	No scheme (but coverage through sickness and incapacity insurance)
Poland	Compulsory, no scheme for farmers	Compulsory	Compulsory
Portugal	Compulsory for the dependent self-employed and managers/directors; no schemes for others	Compulsory	Compulsory (public insurance for diseases and private insurance for accidents)
Romania	Voluntary	Compulsory	No scheme
Slovakia	Voluntary	Compulsory	No scheme
Slovenia	Compulsory	Compulsory	Compulsory
Spain	Compulsory, voluntary opt in for farmers	Compulsory, voluntary opt-in for farmers	Compulsory, voluntary opt-in for farmers
Sweden	Compulsory for a flat-rate payment; voluntary for income-related benefits	Compulsory	Compulsory

Source: Contributions from the Network of Eurofound Correspondents to this study; Schoukens, 2022; MISSOC, undated (accessed June 2023)

Given the abovementioned concerns regarding the blurring between employment and self-employment, the policy focus on ensuring better protection for atypical workers and the self-employed, and the experience of the pandemic, the general direction of policy in the Member States has been towards the expansion of coverage to self-employed (and atypical)

workers. However, this has not always benefited all groups of self-employed people equally. During the past six years, around half of Member States have introduced legislation or guidance aimed at improving access to social protection for (certain groups of) the self-employed (Table 15).

**Table 15: Changes in social protection coverage for the self-employed, 2017–2023, by Member State**

Member State	Change introduced
Austria	No change
Belgium	Changes linked to platform workers' status and social insurance coverage of self-employed students
Bulgaria	No change
Croatia	Extension of access to unemployment benefits
Cyprus	No change
Czechia	No change
Denmark	No change
Estonia	No change
Finland	No change
France	Integration of social security systems for employees and the self-employed; reduced contributions for low-paid self-employed people; access to unemployment benefits for self-employed people facing liquidation of their business
Germany	Clarifications linked to determination of employed or self-employed status
Greece	No change
Hungary	Changes to taxation system
Ireland	Clarification of distinction between employees and the self-employed and introduction of jobseeker's benefit for the self-employed
Italy	Application of social security provisions to individuals performing 'para-subordinate' forms of work
Latvia	Inclusion of specific groups of self-employed people in social insurance coverage
Lithuania	Extension of various forms of statutory social insurance to different types of self-employed workers
Luxembourg	Expansion of the remit of the labour inspectorate to cases relating to false self-employment involving the posting of workers

Member State	Change introduced
Malta	The 'self-occupied' are now covered by unemployment benefits
Netherlands	Clarification of employed and self-employed statuses
Poland	No change
Portugal	Some equalisation of qualifying periods for employees and the self-employed; ongoing extension of social insurance benefits to specific groups; extension of benefits to the economically dependent self-employed
Romania	No change
Slovakia	No change
Slovenia	No change
Spain	Discounts on contributions for some groups of self-employed people; coverage of the economically dependent self-employed for temporary incapacity, accidents at work and occupational illness; new contribution system for self-employed people on low incomes for insurance related to cessation of activity; clarification of the definitions of employment and self-employment
Sweden	No change

Source: Contributions from the Network of Eurofound Correspondents to this study

### Clarification of self-employment status and the social security responsibilities of the self-employed

Some countries that have not seen significant changes in legislation have nonetheless made clarifications to the rules, particularly in relation to the classification of the self-employed and the criteria applied to distinguish between employees and the self-employed. For example, in Cyprus and Greece court cases have sought to elucidate these issues, with case law setting out features of a relationship between a self-employed worker and a client or customer that are akin to employment, thus leading to the reclassification of some self-employed people as employees. Legislative changes in Belgium, Germany and the Netherlands and changes to the Irish Code of Practice on Determining Employment Status have also focused on this issue, which is discussed in more detail in Chapter 6 in the context of the rise in platform work.

In Italy, there is a form of self-employment having similarities with employment called 'para-subordinate work'. Self-employed workers engaged in this type of work are considered to lack bargaining power in relation to their clients and are thus seen to require forms of protection similar to those provided for employees. As a result, Article 409, No. 3, of the Code of Civil Procedure extends certain forms of compulsory social security protection (covering disability and retirement) and compulsory social insurance against accidents to this group of self-employed workers.

In order to provide clients and self-employed workers with clarity about the nature of their employment relationship and their rights, the Netherlands introduced the Deregulation of the Assessment of Employment Relations Act in May 2016. However, the law did not fulfil expectations, due to what the tax authorities perceived as a 'grey area' in the law (namely

with regard to determining whether individuals have to follow instructions or are able to choose their own way of working autonomously; Auditdienst Rijk, 2022). Moreover, there were concerns among the self-employed that they would lose out on assignments because companies would have fears about working with them. The law also appeared to conflict with EU competition law, owing to the introduction of a minimum rate of €15 per hour for the self-employed, which was intended to prevent service providers from offering very low rates and to make it possible to exclude them from eligibility for entrepreneur status if they continued to do so. As a result, implementation stalled and a decision was taken by the government to replace the law (Rijksoverheid, 2022). In October 2022, it was still in use, but was being enforced only in serious cases of intentional abuse. The Dutch government hopes to resume enforcement of legislation through a revised law from January 2025. In the meantime, the Tax and Customs Administration carries out audits to identify cases of bogus self-employment (Rijksoverheid, 2022). In January 2021, a pilot of the Web Module Assessing Employment Relationship (WBA) was launched. Clients complete a questionnaire that focuses on, among other things, the legal status of the contractor; the hierarchy of the employment relationship; how often the contractor works for the client; whether the contractor must wear organisation-supplied clothing, use organisation-supplied tools and so on; whether the contractor can work for others; and if similar assignments are also performed by employees of the organisation. The answers to the questionnaire are converted into points and advice is given on the type of relationship that exists between client and contractor. Clients can use this information to determine whether they can hire a self-employed person for a job on a freelance basis or whether an employment contract is required (Rijksoverheid, 2021).

Portugal has made some important changes to social insurance coverage for the self-employed over the past decade; however, significant differences remain between coverage for employees and for the self-employed (Branco and Cardoso, 2020). As early as 2010, legislation had introduced a category of ‘economically dependent self-employed worker’, which at the time applied to those deriving 80% of their total income from self-employed activity from a single source. In 2018, this threshold was lowered to 50%. This law also lowered social security contributions from self-employed workers while raising contributions from contracting entities. Decree-Law 53/2018 aligned the qualifying period for contributions for the economically dependent self-employed with that for salaried employees. In terms of labour relations, there have been some legislative changes to support the identification and regularisation of bogus self-employment. Law 63/2013 ‘introduced a judicial procedure to assess the nature of contracts (of services and employment) and to requalify “bogus self-employment” as an employment contract, giving to the Authority for Working Conditions (ACT) the duty to act in these situations, without the worker having to confront the employer’ (Campos Lima and Perista, 2020, p. 11). Law 55/2017 extended these procedural mechanisms originally intended to combat bogus self-employment to all forms of undeclared work. It also reinforced the role of the ACT and the Public Prosecutor’s Office (Campos Lima and Perista, 2020). More recently, the Agenda for Decent Work promoted by the Portuguese government specified a set of priority policy areas in the areas of labour relations and social protection to be the subject of policy reforms in years to come. Fighting precarious employment is at the core of this agenda – that is, developing mechanisms to prevent the abusive use of temporary work, reinforcing the fight against bogus self-employment and preventing the unjustified use of non-permanent work, among other aims.

In Spain, the Act on Urgent Reforms in Self-Employment (October 2017) established several changes. It extended discounts for self-employed people on social security contributions without reducing benefit entitlements (for example, by approving a flat rate for one year to cover self-employed mothers and people who have not worked in self-employment for two years). Royal Decree-Law 28/2018 on the revaluation of public pensions and other urgent measures in social, labour and employment matters (December 2018) established that economically dependent self-employed workers were to be covered for temporary incapacity and for accidents at work and occupational illnesses, within the scope of social security protection (without paying additional contributions). In effect, the law guarantees self-employed people the same coverage as employees in the event of an accident at work. The status of economically dependent self-employed worker was specified in law in 2007 (a worker who carries out an economic or professional activity for profit and on a

regular, personal, direct and predominant basis for a client on whom they are economically dependent because they receive from that client at least 75% of their income from work and from other economic or professional activities, in cash or in kind). Royal Decree-Law 13/2022 establishing a new contribution system for self-employed workers and improving protection in the event of cessation of activity (July 2022) implemented a reduction in social security contributions for self-employed people with lower incomes or taking maternity or paternity leave, and other social security contribution discounts. Moreover, the Ministry of Labour and Social Economy has approved the National Strategy for the Promotion of Self-Employment (Ministerio de Trabajo y Economía Social, 2022), which seeks to improve conditions for self-employed workers. Among the actions envisaged is clarifying the legal definition of self-employed workers. The strategy proposes promoting studies to analyse the identification of regulatory weaknesses and inconsistencies, and preferential lines of action, as well as situations and practices that breach self-employed workers’ rights and sectors in which such breaches tend to occur. In addition, the strategy envisages intensifying collaboration between branches of the Labour Inspectorate and the Social Security Inspectorate to continue tackling the abusive and fraudulent use of the legal category of self-employed worker.

### Extension of coverage of unemployment benefits

The Danish unemployment benefit scheme was reformed in 2018, leaving few differences between the treatment of employees and self-employed people. The system was opened up to self-employed workers in the 1980s, but the 2018 reform ensured that, instead of benefits being calculated on the basis of hours worked, they are now assessed on the basis of income earned. This allows for the swifter integration of self-employed workers into the unemployment benefit scheme and also facilitates combining or transitioning between employment statuses (Schoukens, 2022).

Ireland introduced jobseeker’s benefit for the self-employed in 2019. The benefit is available to self-employed people with an annual income in excess of €5,000 (those earning less can contribute on a voluntary basis). To receive the benefit, they must contribute 4% of their gross income and must have paid at least 156 weeks of contributions overall and 52 weeks of contributions in the relevant tax year, which is the second-last complete tax year before the year in which a claim is made. The flat-rate benefit is the same as that received by employees and is payable for 6 or 9 months, depending on the level of contributions paid. To be eligible, individuals must cease their self-employed activity and register as unemployed (although they are allowed to continue claiming the benefit if they work as an employee for up to three days per week).

The payment was introduced without a corresponding increase in the social insurance rate already paid by self-employed workers. This was criticised by the Irish Congress of Trade Unions, as the change came at the same time as a squeeze on pension benefits for employees. Furthermore, a survey of 20,000 self-employed people conducted by the Department of Employment Affairs and Social Protection at the time found that four in five respondents would be willing to pay higher insurance contributions in return for additional benefits (ICTU, 2019). An actuarial review of the social insurance fund in 2017 considered that self-employed people achieved very good value for money compared with employees and that their situation had improved since the previous review, as self-employed people had become entitled to the invalidity pension and jobseeker's benefit (KPMG, 2017). Access to the invalidity pension was extended to self-employed people and farmers in 2017.

The Croatian Labour Market Act of 2018 opened up eligibility for unemployment benefits to the self-employed. The scheme is funded from general taxation, and benefits are in line with those granted to employees.

France introduced a number of changes to social insurance for the self-employed, which include access to unemployment benefits for some groups of self-employed people. In 2018, France passed a law integrating self-employed workers into the general social security scheme. This did not change the rules specific to self-employed people in relation to social security contributions, which remain different from those for employees, but sought to make administration of the system easier. The integration relates to health and maternity cover and compulsory pensions for certain groups of self-employed people. Other changes included a reduction in some social security contributions for low-paid self-employed people without a reduction in benefit entitlements. In 2019, a new self-employed worker benefit was created (*allocation des travailleurs indépendants* (ATI)), which provided access to unemployment benefits to self-employed people whose businesses are undergoing a court-ordered liquidation process. To qualify, claimants must have been self-employed for at least two years without interruption in a single business, have generated an average income of over €10,000 per year over the past two years and have an average monthly income of less than around €565 per month. If the individual proves that they are actively looking for work, the benefit of around €800 per month can be claimed for up to six months. However, an assessment of the measure 16 months after it came into force found that only around 910 self-employed people had received the benefit – well below the 29,300 that it was initially estimated it would help. This was attributed to the tight eligibility criteria, which prevented many self-employed people from accessing the support. Law No. 2022-172 of February 2022 subsequently broadened access to the

scheme to self-employed people who have permanently ceased their activity because it proved not economically viable. The income requirements were also relaxed and the amount of benefit received was made contingent on prior income (rather than being a flat rate). Despite this, the maximum benefit payable remains below that granted to employees on a comparable scheme.

Changes to the Law on State Social Insurance of the Republic of Lithuania dating back to 2017 provide that owners of individual enterprises and members of small partnerships, general partnerships and limited partnerships must be covered by sickness, maternity and unemployment social insurance.

In Malta, until 2019 self-occupied individuals (Maltese legislation makes a distinction between 'self-employed' and 'self-occupied' individuals, depending on their level and source of income) were not eligible for unemployment benefits under the contributory scheme and could receive only means-tested unemployment support. This changed in 2019, when self-occupied individuals were given the right to access contributory unemployment benefits if they ceased their economic activity and registered as unemployed. The change was carried out following a review of the Social Security Act of Malta by the government to identify discriminatory provisions. It put employees and the self-employed on an equal footing with regard to eligibility and access criteria: the claimant must register as unemployed and have paid a minimum of 50 contributions since being registered under the Social Security Act and a minimum of 20 contributions during the two consecutive calendar years prior to the claim. For both employees and the self-employed, flat-rate payments are made from the first day of unemployment and continue for a period of 156 days. No changes to the contributions payable by the self-occupied were made to pay for this extension in benefit coverage. A possible indication of the impact of this change was noted in a report by the Ministry for Social Justice and Solidarity, the Family and Children's Rights (2021). It stated that the International Labour Organization had found in 2015 that a Sustainable Development Goals indicator of effective coverage for unemployed people revealed that only 62% of unemployed people received cash benefits in Malta, while by 2019, according to the same indicator, around 75% of unemployed people received such benefits (no further breakdown was available). This may serve to highlight the positive impact of the measure. However, the adequacy of these unemployment benefits was questioned in a recent study, which noted that, for people in their second month of receiving contributory unemployment benefits, Malta's net replacement rate relative to the national minimum wage was the fifth lowest in the EU (Seed Consultancy, 2022). This fell to the lowest when compared with the EU median for beneficiaries with previous in-work earnings that were higher than the national minimum wage. The study was more positive about non-contributory benefits (such as



unemployment assistance, which is also available to those who exceed the maximum period for contributory benefits), the net replacement rate of which was found to be either higher than the EU median or equal to it.

In Portugal, unemployment benefits were first extended to economically dependent self-employed people (those earning 80% or more of their income from one client) in 2012. A further extension was provided in 2013 to self-employed workers engaging in business activity and owners of sole proprietorships with limited liability, as well as their contributing partners and spouses. However, according to the OECD, the incidence of own-account workers who generally have one dominant client is low in Portugal (around 10%), meaning that the majority of self-employed workers are excluded from statutory access to unemployment benefits and, therefore, in a more vulnerable situation than other self-employed workers and employees in general. Legislation altered rules governing contributions by self-employed workers and contracting entities: it lowered the own-account workers' contributions from 29.6% to 21.4% and employers' contributions from 34.75% to 25.17%, while contracting entities' contributions were increased from 5% to 7–10%. Despite this overall reduction, self-employed workers still pay much more than employees in terms of contributions compared with benefits received.

### Extension of coverage of sickness cash benefits

In 2021, France extended sickness benefits to additional liberal professions previously excluded, such as midwives, doctors, nurses and various other therapists, veterinary surgeons, chartered accountants, pharmacists, consultants and engineers. This extension came about partly as a result of lessons drawn from the pandemic, when many found themselves without financial support in the event of sickness. Since daily sickness benefits were previously limited to those with at least a 12-month contribution record, many relatively newly self-employed people were excluded. Another legislative change allows these recently self-employed people to claim benefits if they have previously been members of other social insurance schemes, with those contributions being taken into account. The previous income taken into account and the duration of benefit receipt varies between different groups of self-employed people.

Portuguese self-employed workers are covered by the general compulsory insurance scheme for sickness cash benefits. However, access to coverage requires an

annual income of more than €2,527.92 and a prior coverage period of 12 months, with the further requirement (specific to the self-employed) of having had 12 days of paid work in the 4 months preceding the period of incapacity. For those on lower incomes, insurance is voluntary. In addition, the waiting period for accessing the benefit is different for employees and for the self-employed. Although Decree-Law 53/2018 cut the waiting period for sickness cash benefits from 30 to 10 days for the self-employed, for salaried employees it is 3 days. Furthermore, the maximum period for receiving the benefit is 365 days for the self-employed, while for salaried employees it is 1,095 days.

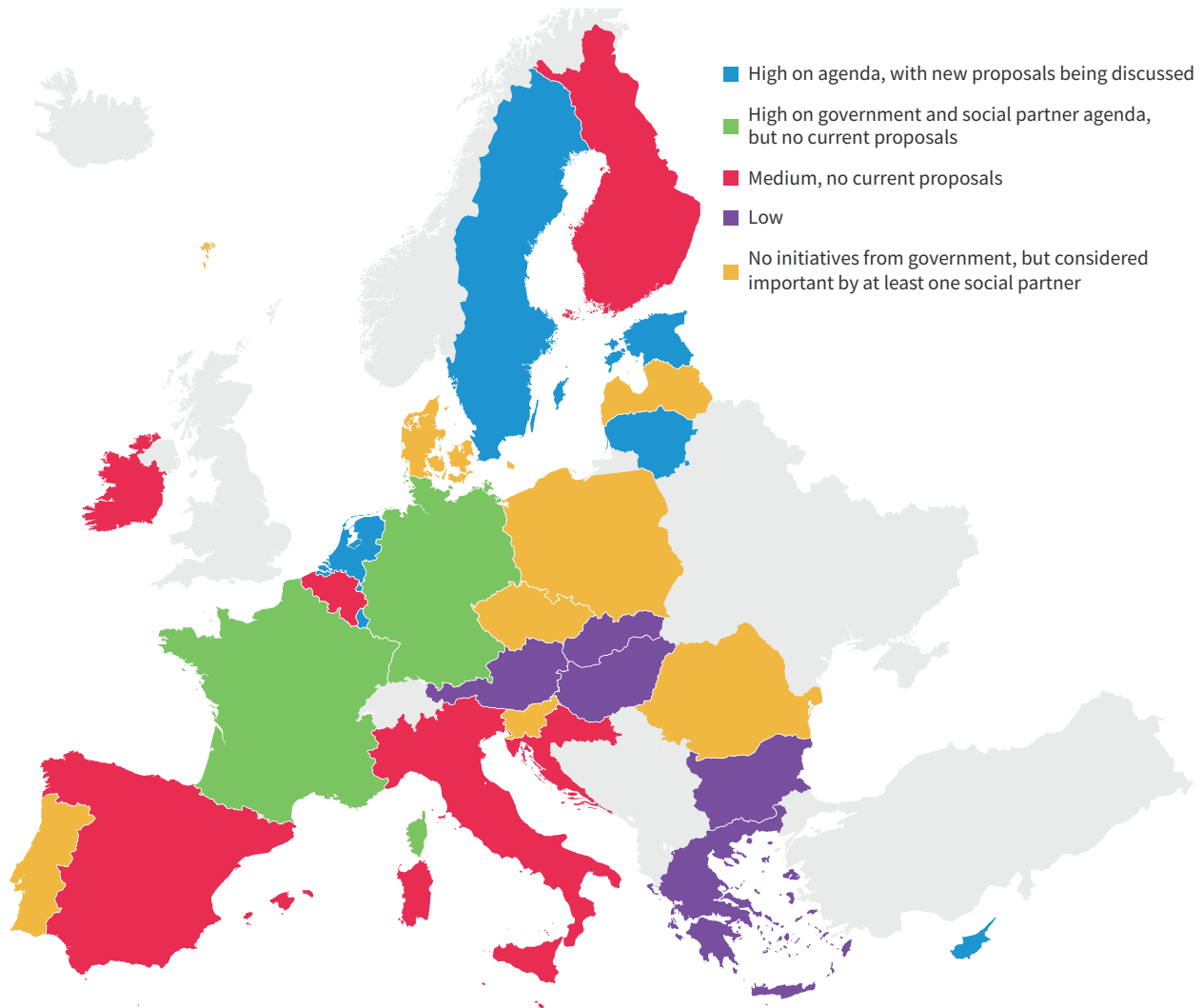
Amendments to the Law on State Social Insurance of the Republic of Lithuania came into effect in January 2017. Under these amendments, specific groups of self-employed workers must be covered by sickness social insurance.

## National policy debates in the aftermath of the pandemic

This section charts the current policy debate and ongoing policy initiatives aimed at improving social protection coverage for self-employed people at Member State level, based on information provided by the Network of Eurofound Correspondents in the spring of 2023. It discusses the positions of governments and social partners, and seeks to assess whether the issue of social protection for the self-employed is high on the political agenda or not. In this regard, it should be borne in mind that the intensity of debate at the time when the study was conducted may have been influenced by actions already taken, which may have led to the subject having become less relevant.

Figure 25 shows that the issue is currently high on the agenda, with proposals being discussed, in six Member States. In two further countries, better social protection coverage for the self-employed is considered high on the agenda, but no specific proposals are currently on the table. In seven Member States, the level of policy interest is ranked as 'medium', with some policy discussion (often around the criteria for classification of employees and self-employed workers) but without any specific initiatives having been proposed. At least one social partner organisation considers the issue to be important in seven countries, without the government having taken any specific action. In the remaining five countries, improving social protection for the self-employed is reported to be low on the agenda, for various reasons.

**Figure 25: Importance of improving social protection for the self-employed in the policy debate by Member State, EU27, 2023**



Source: Contributions from the Network of Eurofound Correspondents to this study

### Countries with recent and planned initiatives

In the countries with new proposals on the agenda, at the time of writing (July 2023) these are at various stages of advancement.

In Cyprus, there are plans to extend sickness, unemployment and parental leave benefits to the self-employed, with an associated increase in social insurance premiums. Discussions on this matter are at an early stage. In relation to sickness benefits, there is a proposal to grant the right to these benefits from the third rather than the eleventh day of sickness. Although both trade unions and employers essentially support the extension of these benefits, employers emphasise that this should be at a reasonable cost, with the option of paying for a higher level of insurance on a voluntary basis.

In Sweden, there have been government proposals to make access to social security easier for self-employed people, for example by including rules for calculating income in the social insurance code and by reducing the grace period for sickness benefit. Both employers and trade unions generally agree on these measures, but they are yet to be implemented.

The Estonian government has also indicated its intention to address the issue of the extension of unemployment benefit to the self-employed and also the introduction of universal healthcare, which would have implications with regard to sickness and accident-at-work benefits for the self-employed. A 2023–2027 action plan will be formulated, which is intended to include proposals to extend unemployment insurance coverage to – among others – the self-employed by May 2025.

In Luxembourg, recent policy discussions and proposals have revolved around the criteria for the classification of workers as self-employed, including in relation to the situation of platform workers, and the more permanent extension of access to short-time work support measures to the self-employed. In relation to the latter, at present Article L. 525-1 of the Labour Code states that self-employed individuals who have to cease their activities due to economic difficulties, financial issues, medical reasons, actions of a third party or *force majeure* could be eligible for full unemployment benefits. On 30 January 2023, a draft law was submitted to extend this protection. The proposed amendment to Article L. 525-1 seeks to include among those eligible for full unemployment benefits self-employed individuals who experience temporary cessation of activity due to administrative decisions for which they are not personally responsible. In relation to the classification of self-employed workers, a proposed law on the work provided via platforms was submitted by the Chamber of Employees to the Chamber of Deputies in December 2020. It sought to legislate on the employment relationship, as well as on the social rights of individuals, by identifying 'false self-employed workers' so that they could be reclassified as dependent employees. Opinion was, however, divided. The trade unions supported this approach, while the Ministry of the Economy argued that, from an enforcement perspective, it would be difficult to determine the true situations behind the declarations of activity that self-employed workers would be required to submit. As a result, the status quo remained unchanged, with the exception of amendments, affecting self-employed workers, to legislation on taxis to remedy shortcomings that became apparent following the liberalisation of the sector. However, discussions on this issue continue, and in February 2022 the Ministry of Labour initiated a consultation with the social partners on the definition of the status of self-employed workers and their identification, with particular regard to self-employed people working for platforms.

In Lithuania, the debate regarding the extension of social protection to the self-employed intensified at the end of 2021, on the initiative of the Ministry of Social Security and Labour. According to the ministry, the pandemic demonstrated that the self-employed lack social protection in the event of unemployment, as they have no access to unemployment insurance benefits. As a result, the state had to provide support for the self-employed during the pandemic and, although the measures applied to them were short term, they were very costly for the national budget. According to the ministry, a total of €243.7 million in benefits were paid to the self-employed during the first and second lockdowns (Ministry of Social Security and Labour, 2022). In order to avoid such situations in the future, solutions have been sought to create a stable and permanent social protection mechanism for self-employed workers

in the event of cessation of activity. According to the current legislation, of all self-employed workers in Lithuania, those not covered by unemployment insurance are those who carry out activities under individual activity certificates and business certificates, farmers and people who receive royalty payments not based on employment contracts. In September 2021, representatives of the Ministry of Social Security and Labour proposed including self-employed people working under individual activity certificates and farmers in the unemployment insurance scheme, as these are the most numerous self-employed groups in the country. According to the State Tax Inspectorate, in 2020 self-employed people engaged in agricultural activities (with an economic holding size of less than four economic size units, as people in this situation do not pay state social insurance contributions in Lithuania) numbered 185,554; the number of people working under an individual activity certificate was 192,994, which had increased by approximately 43% since 2017. A draft law proposing amendments to the Law on Unemployment Social Insurance of the Republic of Lithuania (draft Law No. XIVP-2934) was submitted to the parliament by the government in June 2023. The draft law provides for the inclusion of the groups proposed by the Ministry of Social Security and Labour and participants in family-based residential facilities in the unemployment insurance system. They will be eligible to claim benefits if they cease their activity, register as unemployed with the public employment service and obtain the status of unemployed (if the service has not offered them suitable work or the chance to participate in active labour market policy measures), and if they have the minimum required contribution history and amount paid. To reduce the risk that newly insured self-employed workers might use unemployment social insurance benefits more often than they actually need to, the payment of benefits is initially limited to one month. The duration of benefit payments is then extended by one month for each tax period thereafter. The duration of benefit payments may not exceed nine months, as for other unemployed people. Given that the required contribution history will take time to build up, it is proposed that, from 1 January 2024 to 31 December 2025, new entrants to unemployment insurance who have been granted the status of unemployed person should be entitled to a lump sum equal to five times the basic social benefits, which would be paid during the period of unemployment up to a maximum of one month. Together with this draft law, draft amendments to the law on state social insurance (Law No. XIVP-2933) were submitted to the parliament; these amendments align the bases for contributions to social insurance (sickness, maternity and unemployment benefits, and pensions) for different groups of self-employed people, so that they all pay contributions based on 90% of their taxable income.

A new pensions bill proposed by the Dutch government provides for the introduction of new mandatory disability insurance for certain groups of self-employed people (disability insurance for the self-employed was previously briefly in place between 1998 and 2004 but was abolished on cost grounds). It was considered important that this be done because evidence shows that two-thirds of the self-employed lack voluntary insurance coverage against disability. This has been attributed both to inability or unwillingness on the part of the self-employed to foresee that this risk applies to them, but also to the high cost of insurance and unwillingness on the part of some insurance companies to offer cover, particularly to self-employed people with existing health conditions. The goals of introducing mandatory insurance are to protect self-employed people against loss of income in situations where they are no longer able to work in their current employment due to disability, to protect the state from having to bear the risk through the payment of tax-funded social assistance benefits and to prevent unfair competition between employees and self-employed workers due to the costs to employers of contributing to social insurance coverage for employees. The relevant bill is to be submitted to the House of Representatives in spring 2024 and covers the following aspects.

- It will apply to all self-employed people having to pay income tax and their spouses.
- The benefit will amount to up to 70% of the person's income in the last full month during which they worked, reaching a maximum of 100% of the minimum wage.
- Premiums will be around 7.5% of income (tax deductible).
- The benefit will be paid after a waiting period of one year (with shorter waiting times negotiable).
- Coverage will be provided through the statutory system, with the self-employed able to opt for private insurance offering a similar level of coverage.

Under this system, significant differences would remain between the level of coverage of employees and the self-employed. Employees usually receive an income from their employer for the first two years of incapacity (usually 100% in the first year and 70% in the second year). The level of insurance benefit received by employees after two years depends on the extent of their incapacity (and can reach up to 75% of their previous income), whereas self-employed people would receive a standard 70% irrespective of the level of incapacity. Reacting to the proposed measure, the self-employment association of the Netherlands argued

in favour of lower contribution rates in exchange for a two-year waiting period. Trade unions had called for the (re)introduction of this form of insurance.

### Countries in which the issue is high on the agenda

In France and Germany, the topic of improved social protection for the self-employed is considered to be high on the agenda, with exploratory discussions under way but no specific initiatives currently on the table.

After some years out of the spotlight, the issue came back onto the agenda of policymakers in France owing to the rise in platform work and the number of those working under the micro-business regime and holding multiple jobs. Two reports on these issues were ordered by the Prime Minister from the High Council (in 2015 and 2019), and there has subsequently been an increasing harmonisation of rights of employees and the self-employed, although gaps remain. In September 2021, the President announced a new plan dedicated to the self-employed. The recommended actions related to social protection have already been implemented. The plan and its recommendations were welcomed by U2P, the peak organisation representing craft workers, workers in the liberal professions and traders. Going beyond the actions set out in the government plan, U2P recommended an increase in the minimum retirement pension for all insured self-employed workers who have completed a full career, to €1,000 net. The Confederation of SMEs (CPME) published its own plan in March 2021 in order to influence the government's initiative. With regard to social protection, the organisation recommended harmonising social security contributions for different groups of self-employed workers, especially regarding supplementary pension systems; maintaining a social protection system whereby, in addition to the compulsory minimum coverage, self-employed people remain free to pay towards additional insurance on a voluntary basis, for instance for unemployment or accidents at work; and nullifying the impact of loss of turnover during the pandemic on the social protection entitlements of the self-employed (pensions, sickness cash benefits). A number of new organisations representing self-employed people and micro-business owners were more critical of the government's proposals, demanding additional actions. The National Federation of Self-Employed Entrepreneurs (FNAE) demanded that the state recognise and respond to the specific needs of entrepreneurs (working under the micro-business regime<sup>2</sup>) in terms of training, information about social rights, maternity entitlements, sickness benefits, pensions and unemployment benefits.

<sup>2</sup> In the French tax code, this is a simplified tax and social security regime available to self-employed workers (individual entrepreneurs in crafts, trades, industry or liberal professions) whose annual turnover is below certain thresholds.

The organisation supported the creation of the ATI unemployment benefit, while asking for greater coverage of the self-employed and better income-related benefits. The organisation also strongly criticised the accessibility of the voluntary insurance scheme for accidents at work. Another organisation, Union-Indépendants, operating in partnership with the Union of Self-Employed Entrepreneurs (UAE), published a manifesto including demands to better protect solo self-employed workers. For instance, it criticised the insufficiency of contributory social rights (notably pensions insurance, but also health insurance) for solo self-employed people with low earnings compared with employees' social rights. It also demanded access to loss-of-activity insurance for all, thus calling for an increase in the coverage of the ATI. Overall, the issue remains on the agenda of French policymakers. The law on purchasing power of 16 August 2022 provides for a temporary decrease in health social security contributions for health and sickness benefits for all categories of self-employed workers, which will benefit in particular self-employed people receiving earnings equivalent to the legal minimum wage.

Data from the research institute associated with the German public employment service show that in 2018 only 3,000 of 25,000 newly registered self-employed workers opted into the social insurance scheme. The study suggests that the three months allowed for people to decide whether to opt into the scheme is insufficient (Oberfichtner, 2019). Similarly, it argues that access to the accident insurance scheme is in need of review, as few self-employed people are insured on a mandatory basis. Several proposals regarding social protection for the self-employed were debated in parliament in April 2021. The German Trade Union Confederation (DGB) considers that solo self-employed people in particular should be covered by the statutory system. It attributes the decline in the number of self-employed people from 4.1 million in the last quarter of 2019 to 3.9 million in the last quarter of 2020 partly to the lack of social security coverage. Many solo self-employed people had to deplete their savings or rely on a partner's income during the pandemic, as they were not covered by insurance and social assistance benefits are means-tested. The DGB suggests reducing the prerequisites for voluntary insurance for the solo self-employed and prolonging the period during which a newly self-employed worker can decide whether to join the statutory scheme. It asks the government to drop the requirement to have paid contributions for 12 of the past 30 months. Furthermore, it argues that, for solo self-employed people and self-employed people working under conditions akin to those of employees, clients should be required to contribute to unemployment benefit. The DGB considers that all self-employed workers should be included in the statutory pension system, and that contributions should

be based on actual income and not a fictitious minimum income, as is currently the case (DGB, 2021). The Confederation of German Employers' Associations (BDA) also supports social protection coverage for the self-employed against risks such as illness, inability to work and old age. However, it argues that the self-employed should be able to choose whether to join the statutory pension system (BDA, 2021). It considers that, with regard to unemployment, insurance should remain voluntary. The BDA argues that compulsory coverage risks the unemployment system being held liable for failed businesses. It considers that contribution levels should be based on average incomes and that rules relating to exclusion when three contributions have not been paid should be modified.

### Countries in which some importance is accorded to the issue in policy debate

A somewhat lesser degree of importance is accorded to the topic of social protection for the self-employed in Belgium, Croatia, Finland, Ireland, Italy, Malta and Spain. In Belgium, Italy and Spain this is largely because recent changes have been implemented, but remaining issues have been identified by stakeholders. In Croatia, Ireland and Malta, the main emphasis of the debate has been on the clarification of the criteria for self-employment in the context of the discussion on the rights of platform workers (see Chapter 6). In Finland, a working group in the Ministry of Social Affairs and Health is assessing the pension entitlements of the self-employed. It has been tasked with addressing the issue of under-insurance and finding ways of simplifying payments for self-employed people. The working group, which includes the social partners, will also reflect upon other social protection-related issues and is to prepare a report by 2027.

### Countries in which the issue is a priority for some stakeholders

In seven countries, improving social protection for the self-employed is a priority issue for at least one social partner organisation. The desire to address the matter usually comes from the trade unions' side in these Member States, but in a couple of cases the organisations in question represent the self-employed or SMEs. This is the case in Czechia, where KUK, the organisation representing the self-employed, has argued that freelancers in the arts and culture sector should have a special status that would allow them to benefit from a higher level of social protection. Trade unions see the solution in raising contribution levels among the self-employed, but neither of these suggestions has been taken forward by the government.

Danish trade unions have focused their efforts on reducing bogus self-employment and to this end have signed a number of collective agreements covering the gig economy (Mailand and Larsen, 2018).

In Latvia, the trade unions have expressed themselves in favour of maintaining some of the support measures introduced during the pandemic to address the issue of reduced earnings opportunities among self-employed people in other crisis situations.

Polish trade unions favour greater action to address bogus self-employment and argue for the automatic conversion of contractual relationships between self-employed workers and clients that are akin to dependent employment into employment contracts. A new organisation, National Trade Unions of Self-Employment ('Against'), was created in 2021 to represent the self-employed in policy discussions.

In Portugal, some significant changes to legislation have been made in recent years. While employer organisations call for a stocktake, including a review of lessons from the implementation of pandemic measures, before any further action is taken, trade unions tend to support the extension of some of the measures implemented during the pandemic to address losses in disposable income resulting from inflationary pressures and increases in the cost of living. They also see a further need to address bogus self-employment and to strengthen the position of vulnerable groups of self-employed people through collective bargaining.

Echoing that last point, a key concern in Romania is that self-employed people are precluded from joining a union. Trade unions support the removal of barriers to collective bargaining and the provision of greater access to social protection, as well as more effective policies against bogus self-employment. Employers also support the extension of social protection.

In Slovenia, both SME representative organisations and trade unions representing young people support an extension of social insurance coverage for the self-employed.

### Countries in which the issue is low on the agenda

In Austria and Belgium, the topic is not a priority, as coverage of the self-employed in many branches of social protection is already comparatively comprehensive or has significantly improved in recent years.

In Austria, there have also been efforts recently to increase checks and audits addressing bogus self-employment. Trade unions call for the legal equalisation of freelance contractors with employees to ensure that collective agreements apply to them. Among academic commentators, concern is raised about low opt-in numbers to unemployment insurance, largely because opt-in must be decided on within six months of starting self-employed activity, and the decision can only be

changed every eight years. The fact that unemployment benefits can only be claimed when a person's trade licence has been rescinded – and thus cannot help self-employed people suffering from a temporary downturn in orders or service take-up – has also attracted criticism. The issue of the low wages commanded by many vulnerable self-employed people, leading to low levels of benefits, remains to be addressed (Hofbauer et al, 2020).

In recent years, the gap in coverage between employees and the self-employed in relation to healthcare, pensions, parental leave and – to some extent – unemployment has been addressed in Belgium. However, differences remain, for example in relation to the fact that benefits tend to be income related for employees and paid at a flat rate to the self-employed. The extension of the bridging right to address various circumstances (the pandemic, the impact of inflation and the war in Ukraine) is considered to be especially helpful.

In Italy, the policy emphasis on this issue is limited, although there is some focus on the availability of retraining, since proof of participation in retraining is required to benefit from the allowance for self-employed people who have suffered income loss.

In Hungary, there is some discussion around the impact of recent changes in the tax regime covering the self-employed. Prior to September 2022, small business tax (KATA) was a favourable tax scheme introduced in 2012 whereby self-employed individuals paid a relatively low flat-rate tax up to a certain annual revenue threshold. Until it was amended, the scheme was very simple, requiring no accounting knowledge. The essence of the new legislation was that self-employed workers who provide services to companies were excluded from the KATA taxation scheme. The effects of the new law are not yet known, but according to some estimates 300,000 workers may disappear from the KATA system. According to the latest data from the tax authority, before the change there were 411,000 self-employed workers in the KATA system, and by January 2023 this number had decreased by 65% (to 144,729). Around 9% of businesses run by these workers ceased to exist, and the rest had to move to other, less favourable and less simple systems (flat-rate taxation or normal corporate taxation).

In Bulgaria, Greece and Slovakia, the policy emphasis on the issue of social protection for the self-employed is also considered to be low. In Bulgaria, concerns about low contribution and benefit levels and the risk of poverty in old age are expressed in the literature (Spasova et al, 2017; Pettinicchi and Börsch-Supan, 2019).

## Key takeaways

- Although social protection systems in the EU were largely designed with dependent employment in mind, the increasing blurring of boundaries between employment and self-employment has resulted in adjustments to social protection coverage for (some groups of) self-employed people in recent years.
- Despite this, in 2022 gaps in social protection persisted for some groups of self-employed workers in at least one branch of social protection in 19 Member States. Unemployment benefit coverage is most likely to be lacking, followed by sickness benefits and protections linked to accidents at work.
- Over the past six years, the emphasis has been on establishing or firming up criteria for the classification of workers as self-employed, with seven countries implementing changes in this area. Six countries extended access to unemployment benefits, and three countries opened up or extended access to sickness benefits. No changes to access to accident-at-work benefits were reported.
- In the aftermath of the pandemic, six countries have begun to improve social protection for the self-employed or plan to do so in the years to come, and the issue is high on the agenda in two other Member States. In seven countries, improving social protection for the self-employed is considered of medium importance; trade unions or organisations representing the self-employed support action in another seven Member States.
- The focus has been on the extension of formal social protection coverage, with less emphasis on effective access or adequacy of support, which remain issues for many self-employed people with limited or intermittent earnings.





# 6 Social protection for platform workers

## Platform work and the issue of miscategorisation

Platform work is not a new phenomenon in the EU. Between 2010 and 2023, the platform economy has seen significant growth in terms of the number of platform operators, the types of services that can be performed through digital platforms and the number of workers who engage in platform work. The growth in the scale of the platform economy has been accompanied by diversification in the types of tasks performed by workers, the formats for service provision, the levels of skills required to do the work and the types of processes through which clients are matched with workers. This heterogeneity has consequences for how work is organised and performed through platforms and implicitly for the working conditions of platform workers. Platform work is therefore done both by workers who retain entrepreneurial control over the way they work, such as workers in high-skilled occupations, and those whose flexibility and autonomy in the organisation of work is curtailed by the standards set by the platforms. For the former case, there is no difference between traditional self-employment and work provided on platforms, except that all transactions are digital. For the latter, the limits set by the platforms on the way work is performed restrain the flexibility associated with traditional self-employment, and the relationship between the self-employed worker and the client resembles an employment relationship. This puts platform workers at a disadvantage to both truly self-employed workers and dependent employees.

While the majority of platform workers are classified as self-employed or independent contractors, not all benefit from the autonomy and freedom to organise work that is characteristic of traditional self-employment. This is especially the case for workers who provide low-skilled on-location services such as ride hailing or delivery drivers, but it is also true of various groups of workers who provide online services. Since in many EU countries access to social protection is linked to employee status, with benefits such as unemployment benefits being limited to employed workers (see Chapter 5), misclassified platform workers can be deprived of their social rights.

Researchers on the issue of miscategorisation of the employment relationship agree that the main challenge for workers miscategorised as self-employed is lacking access to social protection. For example, in Estonia research has demonstrated that the current legal

system favours employed workers. In contrast, economically dependent self-employed workers lack access to social protection, with various groups of platform workers such as freelancers or people working in the creative industries facing higher risks of poverty and poor living conditions (Koppel et al, 2021). Similarly, in Croatia, studies point out that platform work presents major challenges to the regulatory framework due to gaps caused by the lack of a common definition and classification of various types of platform work (Bejaković and Gladoić Håkansson, 2021). In Latvia, assessments of the existing legal framework suggest that the regulatory system is effective in detecting instances of bogus self-employment. However, studies have also demonstrated that hidden working relationships are more difficult to detect when the worker holds multiple jobs (VDI, 2018). In Poland, the issue of misclassification has been covered in broader analyses of the scale and prevalence of bogus self-employment. Estimates suggest that as many as 1 in 10 self-employed people are in bogus self-employment, with around 180,000 workers in this situation in 2020 (Polish Economic Institute, 2022). The sectors with the largest numbers of bogus self-employed workers are information technology, healthcare and research, with each sector having an estimated 25,000 workers who are potentially in bogus-self-employment.

## Scale of the platform economy in the EU

In 2020, there were around 520 platform operators in the EU, with the majority operating as intermediaries for freelance, delivery and home services tasks (CEPS, 2021). Estimates of the proportion of people working through platforms vary depending on the methodology of the survey, the country focus and the type of platform work considered. For example, the 2018 Collaborative Economy and Employment (Colleem) survey found that around 11% of workers in Europe had at some point provided work through digital platforms, with significant differences across countries (18% in Spain, 14% in the Netherlands, and around 6% in Czechia and Slovakia) (Urzi Brancati et al, 2020).

However, the averages highlighted above do not fully reflect the reality of providing work through digital platforms. Importantly, such work can be performed sporadically or as a worker's main activity, with implications for the amount of income derived from platform work as well as eligibility for access to

statutory social insurance. While some workers use platforms to supplement their regular incomes, for others platform work is their primary source of income. Using the criteria of time spent on platforms and the income derived from platform work to classify platform workers results in four broad categories of workers: sporadic (providing services on platforms less than once a month), marginal (spending less than 10 hours a week on platform work and gaining less than 25% of income from platforms), secondary (spending between 10 and 19 hours a week on platform work and gaining between 25% and 50% of income from platforms) and main (spending at least 20 hours a week on platform work and gaining more than 50% of income from platforms). Based on this classification, the Colleem survey data showed that around 1.4% of workers in the EU were main platform workers, 4.1% secondary, 3.1% marginal and 2.4% sporadic. The breakdown by country revealed large cross-national differences in the prevalence of platform work as a main form of employment, ranging from 2.7% of employees in the Netherlands to 0.6% in Finland (Urzi Brancati et al, 2020).

The more recent Algorithmic Management and Platform Work (AMPWork) survey, for which fieldwork was carried out in Germany and Spain between September 2021 and March 2022, provides more conservative estimates of the scale of platform work in those two countries. Using the criteria described above, the AMPWork data show that around 0.6% of workers in Germany and 1.4% of workers in Spain fall into the category of main platform workers (Fernández-Macías et al, 2023). The difference in the size of the estimates arrived at by the two surveys stems from the different approaches taken in carrying them out (online panel in the case of the Colleem survey and face to face in the case of the AMPWork survey).

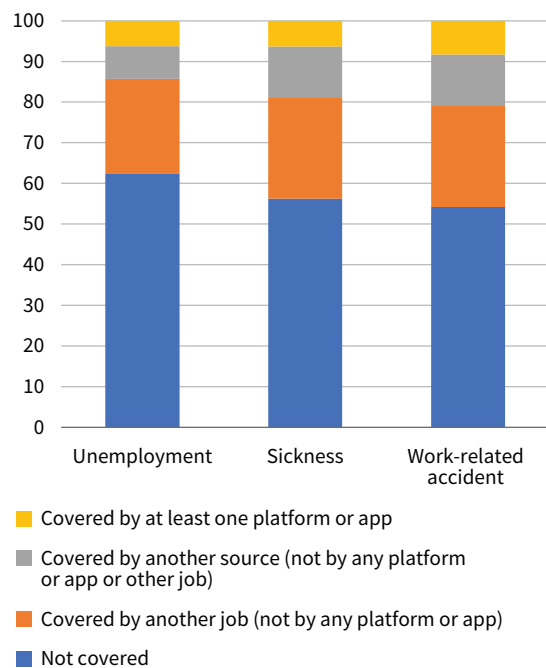
Estimates on the prevalence of platform work in Europe are also provided by the European Trade Union Institute (ETUI) Internet and Platform Work Survey, carried out in 2021. The ETUI data indicate that about 1.1% of workers in the 14 surveyed countries are main platform workers, with the share of main platform workers ranging from 2.2% of working age adults in Ireland to 1.4% in France, and 0.7% in Estonia, Hungary and Romania (Piasna et al, 2022).

In Romania, the data indicate, around 1.3 million people have provided services through digital platforms, with more than half doing so as a secondary activity to gain an additional income. Around 263,000 people, or the equivalent of 0.5% of dependent employment, did so as a main activity, while 390,000 were marginal platform workers. The vast majority (90%) of platform workers

are self-employed and, in the case of on-location platform workers, they are not generally directly contracted by platform companies. Instead, self-employed platform workers are often managed by intermediary companies or ‘fleet partners’.

Overall, the data on the incidence of platform work in the EU indicate that access to social security benefits depends on the classification of the platform worker as either employed or self-employed and on whether platform work is an activity that supplements more regular forms of employment. Indeed, data from the 2022 EU-LFS pilot module on digital platform workers indicate that unemployment, sickness and work-related accident insurance are provided by another job for about a quarter of digital platform workers, defined as those who spent at least one hour providing work on digital platforms in the past month (Figure 26).<sup>3</sup> The data also show that 8% of digital platform workers receive unemployment insurance through sources other

**Figure 26: Digital platform workers’ social insurance coverage by source of insurance and risk covered, selected European countries, 2022 (%)**



**Note:** Data refer to 16 EU countries – Belgium, Cyprus, Denmark, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Malta, the Netherlands, Poland, Portugal, Romania and Slovenia – and one EFTA country, Norway. Platform workers are defined as people aged 15–64 years who spent in the last calendar month at least one hour on platform work or services.  
**Source:** Eurostat, EU-LFS pilot module on digital platform workers, 2022

<sup>3</sup> Since this was a pilot survey based on self-declaration, the data need to be interpreted with a degree of caution.

than platform work or other jobs, with only around 6% of workers receiving such insurance through at least one of the platforms they work for or apps they use to get work. The share of workers who receive unemployment benefit coverage through work done for platforms could be understood as a proxy for the share of workers who already have employee status. Relatively similar shares of workers report receiving sickness and work-related accident insurance either through platforms or through sources other than platforms or jobs. Importantly, 62% of platform workers report not being covered by unemployment insurance, with the share being 56% for sickness insurance and 54% for work-related accident insurance.

Effective access to social insurance benefits for platform workers is limited because in a number of countries self-employed workers are not covered by social insurance benefits on a mandatory basis. This issue is compounded by the unpredictability of income and the extreme fragmentation of working time experienced by platform workers, which make it difficult to fulfil the eligibility criteria that must be met to qualify for social insurance benefits. In addition, platform companies are not required to share with social security agencies worker-level data on income and hours worked (if such workers are considered to be self-employed), which makes it difficult for public bodies to quantify work in order to calculate benefit entitlements. This situation is further complicated in the case of subcontracting chains by a lack of clarity about who is responsible for reporting to social security bodies. Furthermore, procedures for declaring work provided through platforms are often complex, which acts as a deterrent to complying with social security rules. Data from the 2018 Flash Eurobarometer 467 survey indicate that one in five platform workers in the EU cite ‘the lack of clarity about how to provide the service legally’ and the ‘complicated system for paying tax’ as the main issues that contribute to non-compliance with social security regulations (Williams et al, 2020).

## Initiatives to improve social protection for platform workers

In 2023, no supranational framework existed to address the implications of platform work for employment rights and social security. In 2021, the European Commission put forward a proposal for a directive on improving working conditions in platform work, which at the time of writing was at the trilogue stage of the legislative process (European Commission, 2021b).

Importantly, to improve social protection for platform workers and the self-employed, the proposed directive introduces a legal presumption of employment which – if adopted – would ultimately require national law to determine the grounds on which an employment relationship exists and the national courts and the European Court of Justice to interpret the legislation. The employment relationship would be evaluated based on the following set of five criteria that determine the extent to which the platform controls the performance of work.

- Effectively determining, or setting upper limits for, the level of remuneration.
- Requiring the person performing platform work to respect specific binding rules with regard to appearance, conduct towards the recipient of the service or performance of the work.
- Supervising the performance of work or verifying the quality of the results of the work including by electronic means.
- Effectively restricting the freedom, including through sanctions, to organise one’s work, in particular the discretion to choose one’s working hours or periods of absence, to accept or to refuse tasks or to use subcontractors or substitutes.
- Effectively restricting the possibility to build a client base or to perform work for any third party (European Commission, 2021b).

If adopted, the directive could lead to the reclassification of a significant share of solo self-employed workers as employees, consequently granting these workers access to social security protection.

## Parametric legislative changes and court decisions

In the absence of supranational regulation, national initiatives have made progress on closing some of the regulatory gaps generated by platform work. As Figure 27 shows, there is no common approach in the EU with respect to the initiatives used by Member States to regulate platform work. Rather, countries diverge in terms of the policy tools used to address social security and employment rights issues raised by it. With the exception of six countries (Bulgaria, Cyprus, Czechia, Hungary, Luxembourg and Slovakia), in all Member States legislative changes, court decisions and collective bargaining agreements have sought to address some of the gaps in the social protection coverage of platform workers.

Figure 27: Voluntary and legal initiatives regulating platform work by Member State, EU27, 2023



Source: Eurofound, Platform Economy Database and contributions from the Network of Eurofound Correspondents to this study

In most EU countries, social protection and employment conditions for platform workers are regulated through parametric legislative changes<sup>4</sup> in civil and labour law or through court cases. Changes in civil law primarily concern legislation targeting ride-hailing activities and aim to regulate the market for such services (by clarifying rules for obtaining permits and setting standards for companies in the sector). Therefore, they are the least consequential in terms of providing access to social security to platform workers. However, in some cases, they contribute to clarifying the type of employment relationship between the service provider and the platform company. For example, in Lithuania the Road Transport Code specifies that ride-hailing services are provided by self-employed natural persons who conclude a contract with the

passenger transport operator. In contrast, the Romanian Road Transport Act specifies that workers carrying out transport activities can be either self-employed or employees.

Changes in labour law are more varied and tend to involve efforts to clarify the employment status of platform workers working in ride-hailing and delivery sectors through marginal regulatory changes or through codes of practice that aim to nudge platforms towards self-regulating and improving access to social security for workers. In eight countries – Austria, France, Germany, Italy, Portugal, Slovakia, Slovenia and Spain – legislative changes and case law have contributed to the emergence of the ‘third worker’ category, which captures workers who fall between self-employment and employment. While the means of creating the

<sup>4</sup> Parametric legislative changes refer to small-scale adaptations in existing legislative frameworks.

intermediate category varies by country, its creation was in all instances an attempt to grant access to basic social protection rights to platform workers. For example, in 2015 Italy introduced a third category of employment that applies to those workers whose work is organised by another party – the ‘hetero-organised collaborative worker’ (*collaborazioni etero-organizzate*). While this law did not directly target platform workers, it made it easier for courts to assess the power exercised by platforms over the performance of work. In 2019, a new law targeting platform workers clarified the employment conditions and social security regime applicable to them (Eurofound, 2021d). The law creates two schemes: one that covers hetero-organised workers whose work is provided through digital platforms and one that guarantees a set of employment and social protection rights to self-employed delivery workers. These include the right of social partners to define wages through collective bargaining or, in the absence of collective bargaining, a minimum wage level that is comparable to minimum wage levels established in similar sectors; the right to holiday, night-shift and weekend pay; and guaranteed access to a set of social benefits including maternity and parental leave and daily pay during temporary illness (Eurofound, 2021d). In contrast, legislative changes in France took a different approach, effectively leaving the issue of access to social security benefits in the hands of platforms (see Box 4).

Assessments of the impact of having a hybrid worker category indicate that it does not address the issue of access to social security for platform workers. Experiences from Italy and Spain demonstrate that the third employment status was used only marginally by self-employed workers and, rather than improving access to social security, it provided an opportunity for institutional arbitrage, effectively opening a loophole by creating a ‘discounted alternative to what should have been a standard employment relationship’ (Cherry and Aloisi, 2017). Similarly, in France, the 2019 legislative change did not improve access to social protection benefits for platform workers and failed to establish minimum standards, with no charters having been established by platform companies.

Besides establishing an intermediate employment status, legislative changes have also sought to clarify existing regulatory frameworks in order to address the potential issues of misclassification raised by platform work. For example, in Finland an amendment to the Employment Contracts Act that came into force in July 2023 seeks to clarify the definition of an employment relationship in ambiguous situations. The amendment emphasises the primacy of the facts in the assessment of the employment relationship; that is, the assessment should take into account the terms and conditions of the work, the circumstances in which the work is carried out and other factors affecting the performance of work

#### Box 4: Social protection for platform workers in France

In a bid to clarify the provisions applicable to platform workers and improve access to social protection, in November 2019 the French government adopted a framework law on mobility. The law aimed to preserve the self-employed status of platform workers working in the ride-hailing sector while granting them some of the rights enjoyed by employees by giving platforms the option to draw up a social responsibility charter. The charter would set the terms and conditions for workers and platforms, setting out their respective rights and obligations. Therefore, the platforms can establish voluntary social responsibility charters that provide a range of social rights to platform workers, including decent income levels, the right to collective representation, social protection and training opportunities. Although the law initially specified that the establishment of charters by ride-hailing platforms could not be used in courts to demonstrate a subordinate employment relationship, this provision was declared unconstitutional by the Constitutional Court. Therefore, as of 2023 no charter had been established by any ride-hailing platform.

Instead, most platform workers in France are independent contractors, registered as micro-businesses, and are required to enrol in the special social security scheme for independent contractors. As independent contractors, platform workers pay lower contributions and receive lower benefits. The contribution rate is set at 22% of earnings and covers pension contributions and healthcare and social care insurance. Platform workers are covered by universal health insurance but must pay extra to cover maternity and disability benefits. They must also cover the costs of accident-at-work insurance. Benefits for temporary incapacity are much less generous than those for employees, while the qualifying criteria for such benefits are strict (workers must have contributed for at least a year, their average annual turnover for the past three years must average at least €3,982 and the benefits kick in only after three days of illness).

(Eurofound, 2023a). In contrast, in Ireland the Department of Social Protection published in 2021 an updated Code of Practice on Determining Employment Status, which provides guidelines on the correct classification of workers as dependent employees or self-employed (Eurofound, 2022c). Employment status has implications for, among other things, the tax treatment of workers and their pay-related social insurance contributions and associated social welfare benefits.

Furthermore, a growing number of court cases and administrative decisions in Europe have sought to address issues of misclassification of the employment status of platform workers. Between 2015 and 2022, no fewer than 320 relevant judgments and administrative decisions were issued in Member States, with the majority of decisions concerning ride-hailing and delivery services favouring the reclassification of self-employed workers as employees. In contrast, the results of decisions in cases involving cleaners and micro-task performers have been more mixed, with no clear trend towards reclassifying self-employed workers as employees (Hiessl, forthcoming).

### Presumption of employment status

Figure 27 shows that in Belgium, Croatia, Greece, Malta, Portugal and Spain existing legislation has already moved towards adopting a presumption of employment status for platform workers, which is in line with the proposed EU directive. However, variations between countries exist with respect to the scope of application of the legislation, as well as the range and number of criteria that trigger the presumption of employment.

For example, in Spain the legislation is restricted to people who provide services through delivery platforms. In contrast, in Malta the presumption of employment applies to all people performing platform work. For the legal presumption to be rebutted, it needs to be proven that a platform company or work agency does not directly or indirectly control the performance of work, by showing that at least four of the five criteria established in law are not fulfilled (Eurofound, 2022a). If deemed employees, platform workers are granted comparable employment conditions to employees working for the same employer and at least the minimum conditions of employment set out in relevant labour legislation. Similarly, in Belgium legislation has established a rebuttable legal presumption of the existence of an employment contract. The presumption is triggered if three out of eight criteria set out in the legislation are fulfilled. In addition, the Belgian legislation requires platform companies to provide both employed and self-employed platform workers with accident insurance.

Greece is an exception on the issue of employment status in that the presumption and the extensive list of criteria included in the labour law reform adopted in 2021 is one of self-employment rather than dependent employment (ISSA, 2023; Eurofound 2021e).

While the novelty of the legislation means that a comprehensive assessment of the impacts of the reclassification of self-employed workers as employees is not possible, evidence from Spain suggests that the legal presumption has already had effects in terms of providing labour inspectorates with the power to challenge the self-employed status of workers in the ride-hailing sector and recover social security contributions owed by the employer (Eurofound, 2023b).

### Collective bargaining agreements

Figure 27 also shows that in a few countries, namely Austria, Denmark, and Sweden, issues of misclassification of employment and access to social protection for platform workers are mainly addressed through collective bargaining.

In Austria, a collective bargaining agreement covers bicycle couriers who have an employment contract either with a traditional company or with a platform. The agreement establishes that normal working time regulations covering daily breaks and rest periods, night work, overtime and work on weekends and holidays apply. It also regulates monthly minimum pay levels (€1,730 in 2023 for full-time employment) and sets out payment entitlements in the event of accident or sickness.

A similar collective bargaining agreement was signed in Denmark, between the online e-commerce retailer nemlig.com and the trade union 3F. The agreement provides for a minimum hourly wage for drivers, overtime payments and additional social security rights, including paid sick leave and maternity and paternity leave. Furthermore, the agreement introduces access to pension rights through contributions levied on the employer (8%) and employee (4%).

Another collective bargaining agreement worth mentioning was signed by the Danish platform company Hilfr and 3F. It covers workers who provide cleaning services. The agreement entered into force in August 2018 and sets a minimum hourly rate for employed workers, who also gain access to pensions, sick pay and holiday entitlements, as well as private insurance provided by the employer. For self-employed workers, the agreement stipulates that the hourly wage is to be topped up with a 'welfare supplement' that aims to cover individual costs linked to sickness, retirement and holiday pay. The entitlements provided by the Hilfr agreement are at a lower level than those provided by comparable sector-level agreements; however, they were designed as minimum standards to be renegotiated in subsequent agreements (Ilsøe, 2020).

By contrast, in Sweden multi-employer rather than single-employer bargaining has been the preferred approach. Two sectoral collective bargaining agreements, covering temporary work agencies and the media sector, have been signed by some platform companies, thus extending the same rights as other employees to at least some platform workers.

These examples demonstrate that traditional forms of social dialogue can be used to address gaps in social security coverage and improve working conditions for platform workers (Eurofound, 2021d). However, they remain the exception rather than the norm. In 2023, the number collective bargaining agreements concluded in the platform economy remains very small, with only a small minority of platform workers being covered.

### Views of government and social partners on regulating platform work

National-level discussion on how to regulate the platform economy broadly reflects debates at European level. The brief summary in this section focuses on governments' and social partners' views on the regulation of the platform economy, with their broader views on social protection for the self-employed having been discussed in Chapter 5.

Except in the five countries in which the presumption of employment has already been introduced through legislation (see 'Presumption of employment status' above), national governments are adopting a cautious approach to addressing the challenges raised by platform work through regulatory changes. This is especially the case when it comes to addressing the issue of the employment status of platform workers, which has direct implications for the social security regime applicable to them. However, it is generally recognised that the issue of platform work needs to be tackled, although the scope of regulation differs.

For example, in Austria the government argues that due to the strong cross-border element of the issue, policy solutions to improve the working conditions of platform workers need to be advanced at European level. At the same time, the government's work programme for 2020–2024 states that the platform economy in Austria should be promoted by ensuring that competition with traditional business models is fair, especially with respect to regulatory and tax loopholes (Government of Austria, 2020). In Ireland, in addition to the code of practice mentioned previously, policy discussions have also focused on proposals for non-standard taxation arrangements for platform workers. Proposals submitted by Revenue, the Irish tax authority, envisage that platform companies could calculate the tax to be withheld from each payment to the worker by querying the individual's personalised withholding tax status via a secure and responsive Revenue interface (Revenue, 2022). In Germany, the government has emphasised the need to ensure good and fair working conditions for

platform workers, with the Federal Ministry of Labour and Social Affairs conducting various studies on the situation of employees and solo self-employed people performing platform work in Germany. At the end of 2020, the ministry presented its key issues paper *Fair work in the platform economy*, which made recommendations on how to strengthen social protection for solo self-employed people performing platform work who are similarly vulnerable to employees (Federal Ministry of Labour and Social Affairs, 2020). The government also emphasises the right to collective representation of platform workers, especially through the establishment of works councils (BMAS, 2022).

Employer associations generally emphasise the flexibility that platform work allows to workers, encouraging participation in the labour market and providing them with an additional income. From this perspective, national employer associations oppose regulations that introduce significant changes to the status quo. This is the case in Austria, where the Federal Economic Chamber (WKO) acknowledges that the protection of platform employees is a legitimate concern but opposes the creation of a legal presumption of employment on the basis that the proposal for the relevant EU directive does not reflect how work is actually performed in the platform economy. The chamber also argues that Austrian self-employed workers already enjoy generous social security rights, including unemployment insurance (WKO, 2022). In Cyprus, employer organisations state that most platform workers are correctly classified as self-employed, while also noting that, given the increase in the share of dependent self-employed workers in total employment, the self-employed should be informed about their legal rights, including about existing legal pathways for transitioning between different employment regimes. In Estonia, the Estonian Association of SMEs calls for more social protection measures for people working in micro- and small enterprises, as they are the largest group of self-employed workers without appropriate access to social security. Finally, in Spain the Spanish Association of the Digital Economy (Adigital) argues in favour of the creation of a special social security regime for digital self-employed workers that combines the flexibility afforded by platforms with access to social protection (Adigital, 2020). Adigital also emphasises that in Spain on-location delivery platforms provide their couriers with accident and liability insurance, which covers any contingency that may occur during the hours when workers are connected to platforms (Adigital, 2019).

Trade unions underline the need to correctly classify platform workers and to eliminate existing legislative loopholes that limit access to social protection and lead to precarious working conditions for platform workers. Therefore, trade unions support the proposed directive on improving the working conditions of platform

workers, arguing that a European legal framework would provide clarity with respect to classifying employment status and would contribute to reducing bogus self-employment. For example, in Portugal the General Union of Workers has stated that legislation should help in identifying situations in which platform workers are employees and ensure appropriate coverage of them by social protection schemes. The union also considers that digitalisation has enabled algorithms to assume the role of employers, which means that platforms need to be accountable to workers and the state. Therefore, it advocates for measures to increase the accountability of platform companies, especially when it comes to paying the correct social security contributions. In Lithuania, the trade union Solidarumas argues that what is needed is a balanced approach that maintains flexibility for platform workers while ensuring that they have access to social protection. In France, not all trade unions take similar positions with respect to the regulation of

platform work. The General Confederation of Labour (CGT) considers that platform workers in the delivery and transport sectors are in bogus self-employment and should be classified as employees. In contrast, Union-Indépendants, which organises independent workers in France, supports the regulation of labour platforms and advocates for a balanced relationship between platforms and self-employed workers, particularly in terms of transparency of information, absence of subordination, and respect for the health and safety of self-employed workers.

Overall, the views of social partners vary substantially, especially with regard to the presumption of employment, which remains a highly divisive topic at national level. While actors agree that there is a need for clarity with respect to the rules applicable to platform workers, their policy positions diverge on whether clarity is to be achieved through regulation or through voluntary initiatives and collective bargaining.

## Key takeaways

- In 2020, there were around 520 platform operators in the EU, with 11% of workers indicating that they have worked for platforms at some point. However, only 1.4% of workers derive more than 50% of their income from platform work; 4.1% obtain 25–50% and 3.1% earn less than 25% of their income from this source.
- Based on a Eurostat pilot survey, about a quarter of platform workers obtain unemployment, sickness and accident insurance through another job. Only around 6% obtain unemployment benefit coverage through a platform that they work for, indicating that they hold employee status.
- Classification of platform work as employment or self-employment therefore has a significant impact on access to social protection, which highlights the dangers of misclassification.
- In recent years, access to social protection for platform workers has been created in four main ways: the reclassification of platform workers from self-employed to employees through court cases, the introduction of a presumption of employment, the development of a ‘third worker’ status and the signing of relevant collective agreements.



## 7 | Conclusions

Self-employment can provide individuals with the opportunity to realise their own ambitions in a way that provides significant autonomy and control over their work and when and where it is performed, as well as offering significant earning potential. It can boost innovation and job creation; small businesses form the backbone of the EU economy. However, when self-employment is not a genuine choice and shares features with dependent employment, self-employed workers miss out both on the advantages usually offered by self-employment and on many of the protections offered by labour law and social insurance, access to which continues to be largely based on the presence of a standard employment relationship.

It is therefore essential to have a clear understanding of the increasing heterogeneity in self-employment and the impact of this on working conditions and access to employment and social protection. The policy debate on the criteria that characterise genuine self-employment and on the extent to which social protection should be extended to the self-employed, and how this can be done, has been ongoing for a number of years. However, it gained new impetus as a result of the experience of the COVID-19 pandemic, which laid bare the lack of access to social protection against the risks of unemployment, sickness and work-related accident or illness in many Member States. Although the pandemic led to an unprecedented (temporary) expansion in access to social protection and the creation of emergency income support schemes in most EU countries, an analysis of these support measures demonstrates that financial assistance was generally granted to the self-employed later than to the employed, at a lower level, for a shorter period of time and only after they had overcome larger hurdles in terms of eligibility criteria. Together with the high concentration of self-employed workers in some of the sectors most badly affected by the pandemic, this contributed to a rise in at-risk-of-poverty rates among the self-employed, causing increased financial uncertainty and having a knock-on effect on mental health. These impacts were felt despite the fact that 13% of employees and 35% of the self-employed benefited from support measures funded by SURE.

In light of EU policy initiatives, national policymakers have increasingly begun to address the issues surrounding the criteria used to distinguish between employment and self-employment, emphasise enforcement measures to address bogus self-employment and ensure that further groups of self-employed people have formal access to social protection. However, the information gathered for this report also makes it clear that significant gaps remain. For instance, opening up formal access to social protection does not necessarily lead to effective access or adequate benefit levels for self-employed workers, primarily as a result of low and intermittent earnings, particularly among the most vulnerable group, the economically dependent solo self-employed. This group makes up 9% of solo self-employed workers, based on EWCTS criteria and data. While the economically dependent solo self-employed warrant particular protection, it should be borne in mind that in 19 Member States all groups of self-employed people lack access to at least one form of social protection.

The extension of social protection to self-employed people can be challenging for both legal and technical reasons (as the design of social protection systems is largely based on the model of the dependent employee) but also for ideological reasons, given assumptions about the balance between the potential advantages of self-employment and the attendant risk. Voluntary insurance coverage has therefore often been perceived as a solution, but that risks leaving those most requiring protection without coverage, since take-up rates are low. It also leads to a lower contribution base, thus potentially limiting benefit levels.

The pandemic demonstrated the potential costs to the state – and to individuals affected – of failing to address these issues, and thus the need for innovative ideas and information sharing in an area in which there can be no one-size-fits-all solution, due to the varied nature of national legislation and social protection systems and to the different needs of heterogeneous groups of self-employed people.



# References

All Eurofound publications are available at <https://www.eurofound.europa.eu>

- Adigital (2019), *Propuesta normativa en materia de trabajo en plataformas digitales*, Asociación Española de la Economía Digital, Madrid.
- Adigital (2020), *Las plataformas de delivery que operan bajo el modelo de autónomos piden una regulación que combine flexibilidad y mayor protección*, web page, accessed 12 October 2023.
- Ariza-Montes, A., Radic, A., Arjona-Fuentes, J. M., Han, H. and Law, R. (2021), 'Job quality and work engagement in the cruise industry', *Asia Pacific Journal of Tourism Research*, Vol. 26, No. 5, pp. 469–487.
- Auditdienst Rijk (2022), *Onderzoeksrapport evaluatie uitvoering toezichtplan arbeidsrelaties*, The Hague.
- Baptista, I., Marlier, E., Spasova, S., Peña-Casas, R., Fronteddu, B., Ghailani, D. et al (2021), *Social protection and inclusion policy responses to the COVID-19 crisis: An analysis of policies in 35 countries*, Publications Office of the European Union, Luxembourg.
- Barrio, A. and Schoukens, P. (2017), 'The changing concept of work: When does typical work become atypical?' *European Labour Law Journal*, Vol. 8, No. 4, pp. 306–332.
- Battista, L. (2020), 'COVID-19 and self-employment: Emergency measures and unsolved challenges', *Italian Labour Law e-Journal*, Vol. 13, No. 1.
- BDA (Bundesvereinigung der Deutschen Arbeitgeberverbände) (2021), *Soziale Sicherung von Selbstständigen sachgerecht regeln*, Berlin.
- Bejaković, P. and Gladoić Håkansson, P. (2021), 'Platform work as an important new form of labour in Croatia', *Zagreb International Review of Economics & Business*, Vol. 24, No. 2, pp. 159–171.
- Block, J. H., Fisch, C. and Hirschmann, M. (2021), 'The determinants of bootstrap financing in crises: Evidence from entrepreneurial ventures in the COVID-19 pandemic', *Small Business Economics*, Vol. 58, No. 2, pp. 867–885.
- BMAS (Bundesministerium für Arbeit und Soziales) (2022), *Die Weichen stellen für eine stabile Rente*, web page, accessed 12 October 2023.
- Branco, R. and Cardoso, D. (2020), *Trends and challenges in the social protection of self-employed workers in Portugal: The slow erosion of dualization (1990–2020)*, Working Paper No. 61/2020, Portuguese Institute of International Relations, Universidade Nova de Lisboa, Lisbon.
- Bruegel (2020), 'COVID-19: The self-employed are hardest hit and least supported', blog post, 8 April.
- Bruegel (2021), 'Self-employment, COVID-19, and the future of work for knowledge workers', blog post, 8 March.
- Caliendo, M., Graeber, D., Kritikos, A. and Seebauer, J. (2022), 'Pandemic depression: COVID-19 and the mental health of the self-employed', *Entrepreneurship Theory and Practice*, Vol. 47, No. 3, pp. 788–830.
- Campos Lima, M. P. and Perista, H. (2020), *New employment forms and challenges to industrial relations – Reference: VS/2018/0046 – Improving expertise in the field of industrial relations – Country report: Portugal*, AIAS-HIS, University of Amsterdam, Amsterdam.
- Cedefop (European Centre for the Development of Vocational Training) (2010), *Crisis accelerates decline in self-employed under 40 with low or medium qualifications*, web page, accessed 12 October 2023.
- CEPS (Centre for European Policy Studies) (2021), *Digital labour platforms in the EU: Mapping and business models*, Publications Office of the European Union, Luxembourg.
- Cherry, M. A. and Aloisi, A. (2017), 'Dependent contractors in the gig economy: A comparative approach', *American University Law Review*, Vol. 66, No. 3.
- Codagnone, C., Lupianez-Villanueva, F., Tornese, P., Gaskell, G., Veltri, G., Vila, J. et al (2018), *Behavioural study on the effects of an extension of access to social protection for people in all forms of employment*, European Commission, Brussels.
- Council of the European Union (2019), 'Council Recommendation of 8 November 2019 on access to social protection for employed and self-employed workers', *Official Journal of the European Union*, C 387, 15 November.
- DGB (Deutscher Gewerkschaftsbund) (2021), *Stellungnahme des Deutschen Gewerkschaftsbundes zu 'Arbeitslosenversicherung für Selbständige'*, Berlin.
- Eiffe, F. (2021), 'Eurofound's reference framework: Sustainable work over the life course in the EU', *European Journal of Workplace Innovation*, Vol. 6, No. 1, pp. 67–83.

- ELA (European Labour Authority) (2023), *Study on the extent of dependent self-employment in the European Union 2021*, ELA and European Platform tackling undeclared work, Bratislava.
- Eurofound (2015), *Sustainable work over the life course: Concept paper*, Publications Office of the European Union, Luxembourg.
- Eurofound (2017), *Exploring self-employment in the European Union*, Publications Office of the European Union, Luxembourg.
- Eurofound (2020), *COVID-19: Policy responses across Europe*, Publications Office of the European Union, Luxembourg.
- Eurofound (2021a), *Identifying 'vulnerable' self-employed: Ad hoc request to Eurofound from the Directorate-General for Competition*, Eurofound working paper, Dublin.
- Eurofound (2021b), *What just happened? COVID-19 lockdowns and change in the labour market*, Publications Office of the European Union, Luxembourg.
- Eurofound (2021c), *COVID-19: Implications for employment and working life*, COVID-19 series, Publications Office of the European Union, Luxembourg.
- Eurofound (2021d), *Social protection for self-employed delivery platform workers*, Platform economy database, Dublin.
- Eurofound (2021e), *Greek Law No. 4808/2021*, Platform economy database, Dublin.
- Eurofound (2022a), *Regulating minimum wages and other forms of pay for the self-employed*, Publications Office of the European Union, Luxembourg.
- Eurofound (2022b), *Working conditions in the time of COVID-19: Implications for the future*, European Working Conditions Telephone Survey 2021 series, Publications Office of the European Union, Luxembourg.
- Eurofound (2022c), *Update of Code of Practice on Determining Employment Status in Ireland*, Platform economy database, Dublin.
- Eurofound (2023a), *Amendment to Finnish Employment Contracts Act: New criteria for distinction between self-employment and dependent employment*, Platform economy database, Dublin.
- Eurofound (2023b), *Labour and Social Security Inspectorate (ITSS) fines Glovo €57 million for false categorisation of self-employed and engaging workers without work permits*, Platform economy database, Dublin.
- European Commission (2017), *The European Pillar of Social Rights in 20 principles*, web page, accessed 12 October 2023.
- European Commission (2021a), *The European Pillar of Social Rights Action Plan*, Publications Office of the European Union, Luxembourg.
- European Commission (2021b), *Proposal for a Directive of the European Parliament and of the Council on improving working conditions in platform work*, COM(2021)762 final, Brussels.
- European Commission (2021c), *Employment and social developments in Europe: Quarterly review*, Publications Office of the European Union, Luxembourg.
- European Commission (2023a), *Access to social protection for workers and the self-employed: (Partial) update of the monitoring framework 2022*, Brussels.
- European Commission (2023b), *Report from the Commission to the Council on the implementation of the Council Recommendation on access to social protection for workers and the self-employed*, COM(2023)43 final, Brussels.
- European Commission (2023c), *SURE after its sunset: Final bi-annual report*, COM(2023)291 final, Brussels.
- Eurostat (2022), *EU Labour Force Survey – Correction for breaks in time series*, web page, accessed 12 October 2023.
- Eurostat (undated), *EU Labour Force Survey – New methodology from 2021 onwards*, web page, accessed 1 November 2023.
- Federación de Trabajadores Autónomos (2019), *El trabajador autónomo ante la previsión social*, Fundación MAPFRE, Madrid.
- Federal Ministry of Labour and Social Affairs (2020), *Fair work in the platform economy*, Berlin.
- Fernández-Macías, E., Urzì Brancati, M. C., Wright, S. and Pesole, A. (2023), *The platformisation of work*, Publications Office of the European Union, Luxembourg.
- Hiessl, C. (2022), 'Introduction: Special issue on income support for self-employed workers in the wake of the pandemic', *International Journal of Comparative Labour Law and Industrial Relations*, Vol. 38, No. 4, pp. 415–432.
- Hiessl, C. (forthcoming), 'Case law on the classification of platform workers: Cross-European comparative analysis and tentative conclusions', *Comparative Labour Law & Policy Journal*.
- Geisler, M., Berthelsen, H. and Muhonen, T. (2019), 'Retaining social workers: The role of quality of work and psychosocial safety climate for work engagement, job satisfaction, and organizational commitment', *Human Service Organizations: Management, Leadership and Governance*, Vol. 43, No. 1, pp. 1–15.
- Government of Austria (2020), *Aus Verantwortung für Österreich: Regierungsprogramm 2020–2024*, Vienna.

- Grgurev, I. and Vukorepa, I. (2018), 'Flexible and new forms of employment in Croatia and their pension entitlement aspects', in Sander, G. G., Tomljenovic, V. and Bodiřoga-Vukobrat, N. (eds.), *Transnational, European, and national labour relations*, Springer Verlag, Berlin, pp. 241–262.
- Hofbauer, J., Derndorfer, J., Heitzmann, K., Lechinger, V. and Sauer, P. (2020), *Chancen und Risiken neuer atypischer Beschäftigung: Herausforderungen für die österreichische Arbeits- und Verteilungspolitik*, Vienna University of Economics and Business, Vienna.
- Horemans, J. and Marx, I. (2017), *Poverty and material deprivation amongst the self-employed in Europe: An exploration of a relatively uncharted landscape*, IPSWICH Working Paper No. 2, KU Leuven, Leuven, Belgium.
- ICTU (Irish Congress of Trade Unions) (2019), *Government gives to self-employed with one hand and takes away from pensioners with the other*, web page, accessed 12 October 2023.
- ILO (International Labour Organization) (2017), *Dependent self-employment: Trends, challenges and policy responses in the EU*, International Labour Office, Geneva.
- Ilsoe, A. (2020), *The Hilfr agreement: Negotiating the platform economy in Denmark*, FAOS Research Paper No. 176, Employment Relations Research Centre, Copenhagen.
- ISSA (2023), *Platform workers and social security: Recent developments in Europe*, web page, accessed 6 December 2023.
- INSEE (Institut national de la statistique et des études économiques) (2022), *En 2020, les revenus d'activité des non-salariés chutent*, web page, accessed 12 October 2023.
- Koppel, K., Masso, M., Arrak, K. and Michelson, A. (2021), *Vabakutselised loovisikud, nende majandusliku toimetuleku mudelid ja sotsiaalsete garantiide kättesaadavus*, Praxis, Tallinn.
- KPMG (2017), *Actuarial review of the Social Insurance Fund*.
- Kritikos, A., Graeber, D. and Seebauer, J. (2021), 'Corona Pandemie drängt Selbstständige vermehrt zur Geschäftsaufgabe – Frauen stärker betroffen', *DIW aktuell*, No. 69, DIW Berlin, Berlin.
- Landour, J. and Mias, A. (2022), 'Trajectoires d'emploi et conditions de travail des auto-entrepreneur(e)s', in Mias, A. (ed.), *Précarité d'emploi et conditions de travail*, Rapport d'études No. 032, DARES, Paris.
- Mailand, M. and Larsen, T. P. (2018), 'Lifting wages and conditions of atypical employees in Denmark: The role of social partners and sectoral social dialogue', *Industrial Relations Journal*, Vol. 49, No. 2, pp. 88–108.
- Maslach, C. and Jackson, S. E. (1981), 'The measurement of experienced burnout', *Journal of Organizational Behavior*, Vol. 2, pp. 99–113.
- Matsaganis, M., Özdemir, E., Ward, T. and Zvakou, A. (2016), *Non-standard employment and access to social security benefits*, European Commission Research Note 8/2015, European Commission, Brussels.
- Ministerio de Trabajo y Economía Social (2022), *ENDITA: La Estrategia Nacional de Impulso del Trabajo Autónomo 2022–2027*, Madrid.
- Ministry for Social Justice and Solidarity, the Family and Children's Rights (2021), *National plan for Malta*, Valletta.
- Ministry of Social Security and Labour (2022), *Savarankiškaï dirbantys asmenys: kaip užtikrinti jų socialinę apsaugą nedarbo atveju?* web page, available at [https://epilietis.lrv.lt/uploads/epilietis/documents/ima ges/Vie%C5%A1osios%20konsultacijos/Info\\_diskusijos%20ekspertams%2006%2028.pdf](https://epilietis.lrv.lt/uploads/epilietis/documents/ima ges/Vie%C5%A1osios%20konsultacijos/Info_diskusijos%20ekspertams%2006%2028.pdf), accessed 5 November 2023.
- MISSOC (Mutual Information System on Social Protection) (undated), *Self-employed*, web page, available at <https://www.missoc.org/missoc-database/self-employed/>, accessed 13 October 2023.
- Nordenmark, M., Landstad, B. J., Tjulín, A. and Vinberg, S. (2023), 'Life satisfaction among self-employed people in different welfare regimes during the COVID-19 pandemic: Significance of household finances and concerns about work', *International Journal of Environmental Research and Public Health*, Vol. 20, No. 6, Article 5141.
- NSI (National Statistical Institute) (2018), *Employment and unemployment – Annual data 2017*, Sofia.
- Oberfichtner, M. (2019), *Arbeitslosenversicherung für Existenzgründer: Unterschiedliche Leistungen trotz gleicher Beiträge*, IAB-Kurzbericht 01/2019, Institut für Arbeitsmarkt- und Berufsforschung, Nuremberg.
- OECD (Organisation for Economic Co-operation and Development) (2017), *OECD guidelines on measuring the quality of the working environment*, OECD Publishing, Paris.
- OECD (2020), *Supporting livelihoods during the COVID-19 crisis: Closing the gaps in safety nets*, Paris.
- OECD (2022), *De-facto gaps in social protection for standard and non-standard workers: An approach for monitoring the accessibility and levels of income support*, OECD Social, Employment and Migration Working Papers No. 271, Paris.
- Panteia (2020), *Inkomensalternatieven van Zelfstandigen zonder personeel*, Zoetermeer, the Netherlands.

- Petrov, I. (2018), 'Statistical profile of the self-employed in Bulgaria', *Izvestia Journal of the Union of Scientists*, Vol. 7, No. 2, pp. 154–162.
- Pettinicchi, Y. and Börsch-Supan, A. (2019), *Retirement income adequacy of traditionally employed and self-employed workers: Analyses with SHARE data*, MEA Discussion Paper No. 02-2019, Max Planck Institute for Social Law and Social Policy, Munich.
- Piasna, A., Zwysen, W. and Drahokoupil, J. (2022), *The platform economy in Europe: Results from the second ETUI Internet and Platform Work Survey*, Working Paper No. 2022.05, European Trade Union Institute, Brussels.
- POD Maatschappelijke Integratie (2014), *Federaal Jaarboek 'Armoede in België'*, available at <http://static.tijd.be/upload/armoede-628916.pdf>, accessed 12 October 2023.
- Polish Economic Institute (2022), *Tygodnik gospodarczy PIE*, No. 3/2022, Warsaw.
- Reuschke, D. and Zhang, M. (2022), 'Precarious self-employment in urban Europe', *European Urban and Regional Studies*, Vol. 29, No. 4, pp. 440–459.
- Revenue (2022), *Submission to the Commission on Taxation and Welfare*, Dublin.
- Rijksoverheid (2021), *Pilot webmodule van start*, web page, accessed 13 October 2023.
- Rijksoverheid (2022), *Kabinet wil schijnzelfstandigheid in samenhang aanpakken*, web page, accessed 13 October 2023.
- Sánchez, F. R. (2017), 'El trabajo autónomo económicamente dependiente en España: Diagnóstico y propuestas de actuación', *Revista de Derecho de la Seguridad Social, Laborum*, Vol. 10, pp. 301–326.
- Schaufeli, W. B., Salanova, M., González-Romá, V. and Bakker, A. B. (2002), 'The measurement of engagement and burnout: A two sample confirmatory factor analytic approach', *Journal of Happiness Studies*, Vol. 3, pp. 71–92.
- Schoukens, P. (2020), 'Digitalisation and social security in the EU: The case of platform work – From work protection to income protection?' *European Journal of Social Security*, Vol. 22, No. 4, pp. 434–451.
- Schoukens, P. (2022), *Improving access to social protection for the self-employed in the EU: State of play and possible policy reforms*.
- Seed Consultancy (2022), *National study on the adequacy of unemployment benefits in Malta*, Naxxar, Malta.
- Spasova, S., Bouget, D., Ghailani, D. and Vanhercke, B. (2017), *Access to social protection for people working on non-standard contracts and as self-employed in Europe*, European Commission, Brussels.
- Spasova, S., Ghailani, D., Sabato, S., Coster, S., Fronteddu, B. and Vanhercke, B. (2021), *Non-standard workers and the self-employed in the EU: Social protection during the COVID-19 pandemic*, ETUI Report No. 2021.02, ETUI, Brussels.
- Spasova, S., Atanasova A., Sabato, S. and Moja, F. (2023), *Making access to social protection for workers and the self-employed more transparent through information and simplification: An analysis of policies in 35 countries*, Publications Office of the European Union, Luxembourg.
- Suomen Yrittäjät (2022), *Yksinyrittäjäkysely*, Helsinki.
- Torrès, O., Benzari, A., Fisch, C., Mukerjee, J., Swalhi, A. and Thurik, R. (2022), 'Risk of burn-out in French entrepreneurs during the COVID-19 crisis', *Small Business Economics*, Vol. 58, No. 2, pp. 717–739.
- Urzi Brancati, M. C., Pesole, A. and Fernández-Macías, E. (2020), *New evidence on platform workers in Europe*, Publications Office of the European Union, Luxembourg.
- VDI (Valsts darba inspekcija) (2018), *Pašnodarbinātība Latvijā un tiesiskā regulējuma pilnveide pašnodarbināto darba apstākļu uzlabošanai*, Baltic Consulting and Konsorts, Riga.
- Vegetti, F. and Adăscăliței, D. (2017), 'The impact of the economic crisis on latent and early entrepreneurship in Europe', *International Entrepreneurship and Management Journal*, Vol. 13, No. 4, pp. 1289–1314.
- Weber, E. and Schoukens, P. (2020), *Unemployment insurance for the self-employed: A way forward post-corona*, EISS research paper, European Institute of Social Security, Leuven, Belgium.
- Williams, C., Llobera Vila, M. and Horodnic, A. (2020), *Tackling undeclared work in the collaborative economy and bogus self-employment*.
- WKO (2022), *Digitalisierung der Arbeitswelt: Argumente der WKÖ*, web page, accessed 13 October 2023.

# Annexes

## Annex 1: Income support measures for the self-employed in the EU Member States

**Table A1: Income support measures for the self-employed during the COVID-19 pandemic**

Country	Title/description	Eligibility	Replacement rate	Duration	Take-up
Austria	Hardship fund: safety net for the self-employed	Solo self-employed people, micro-business owners and freelancers with an income drop of 50%, March 2020–October 2021; 30%, November–December 2021; 40%, January–March 2022	Income dependent; varied in different phases of the pandemic from €500 to €2,600 per month; maximum duration 15 months (following several extensions)	27 March 2020–31 March 2022	2.1 million applications approved
	Entrepreneur's wage (as part of the company subsidy for fixed costs)	Self-employed people	Income dependent, ranging from €666 to €2,666	15 April 2020–31 December 2021	40,000 applications approved
	COVID arts and culture safety net for the self-employed	Self-employed people in the arts and culture sector no longer able to cover their living costs due to the pandemic	Lump sums of €10,000 in 2020, €7,800 in 2021 and €2,000 for November/December 2022	30 March 2020–2 March 2023	10,000 applications approved
Belgium	Replacement income (bridging right) linked to COVID-19	To be eligible, the recipient's activity had to be affected for at least seven days	Lump sum of between €1,291 and €1,614 monthly (the higher amount was for those with dependants) automatically applied to workers in closed sectors; from June 2020, another allowance became available, with flat-rate payments depending on whether activity was affected by a reduction in turnover of 100%, up to 65% or 40%	1 April 2020–30 June 2022	At the peak of the pandemic, in April 2020, there were 411,363 claims for a bridging allowance. It is estimated that over 52% of the self-employed (main occupation) claimed the allowance at some point during the pandemic
Bulgaria	Assistance for artists and freelancers	Artists with average monthly incomes of less than €500 per month in 2019 and not benefiting from other financial support	Payment of €360 per month (minimum wage) for up to three months	13 March 2020–30 April 2021	An estimated 50% of artists benefited (1,100 individuals)
Croatia	Support for people in arts and entertainment	Registered self-employed or independent artists and owners of single-person companies in the sector	A flat-rate sum of €265 for part-time workers and €530 for full-time workers for March to June 2020	15 March 2020–15 June 2020	Around 2,000 people
Cyprus	Special scheme for the self-employed	Self-employed people who had to fully or partially suspend operations (at least a 25% reduction in turnover)	60% of weekly insurable earnings in the fourth quarter of 2019; no less than €300 and no more than €900 for a period of four weeks	16 March 2020–12 June 2020	23,627 self-employed people benefited
	Special scheme for certain categories of the self-employed	Specific groups of self-employed people (photographers, tour guides, taxi drivers, tourist bus drivers)	60% of weekly insurable earnings in the fourth quarter of 2019, up to a maximum of €900 for a period of four weeks	1 August 2020–31 October 2021	24,854 self-employed people benefited
	Sponsorship for businesses and the self-employed with suspended operations	Participants in other government schemes in the tourism and entertainment sector, taxi driving, hairdressing, retail, private tutoring and so on	Lump sums of between €700 and €900 for the solo self-employed (higher amounts for the self-employed with employees)	1 April 2021–31 May 2021	No data
	State sponsorship for certain non-VAT-registered businesses	Self-employed people not VAT-registered because their annual income was below the €15,600 threshold (such as teachers in language schools, dance schools and music schools)	50% of the monthly allowance received from the special scheme for certain categories of the self-employed	1 January 2021–1 May 2021	No data

Country	Title/description	Eligibility	Replacement rate	Duration	Take up
Czechia	Compensation bonus for the self-employed	Initially limited to sectors closed due to restrictions; from March 2021 open to self-employed people with a 50% (and later a 30%) drop in income	Flat-rate allowance of around €20 per day	12 March 2020–3 January 2022	920,000 beneficiaries between March and August 2020
	Support for companies and workers in the culture sector	Individuals employed in entertainment and culture	Payment of around €2,300, depending on income lost	5 February 2021–30 April 2021	Around 9,000 individuals supported
Denmark	Temporary compensation scheme for the self-employed	Self-employed people with a maximum of 10 employees and freelancers; minimum income loss of 30%	75% of income loss up to a maximum in line with compensation available to employees	9 March 2020–28 February 2022 (with interruptions when lockdown restrictions eased)	198,188 applications approved by January 2022
	Support scheme for artists with different types of income	Artists suffering from cancellation of activities earning between around €13,000 and €107,000 annually	75% of income loss up to a maximum in line with compensation available to employees	9 March 2020–28 February 2022 (with interruptions when lockdown restrictions eased)	No data
Estonia	Subsistence support for freelancers in the creative industries	Creatives working under contract in specified activities	Monthly payment of a flat-rate sum of €584 (minimum wage)	19 April 2020–31 December 2021	960 people by October 2020
	Grants for SMEs and entrepreneurs in tourism, accommodation, catering and events	SMEs and entrepreneurs affected by cancellations due to COVID-19	The level of the grant depended on the sector and the size of the company	11 May 2020–26 July 2021	6,611 applications approved by September 2021
Finland	Temporary recognition of entrepreneurs as recipients of unemployment benefits	Those for whom entrepreneurial full-time employment had ended and income was less than €1,089 per month due to the COVID-19 pandemic	Flat rate of €33.50 per day, five days per week	8 April 2020–30 September 2021	44,000 people in 2020
	Grants for artists and the solo self-employed in culture and the creative arts	Freelancers and the solo self-employed in the sector whose income had been reduced by the COVID-19 pandemic	€6,000–12,000	1 April 2020–30 June 2021	9,500 people
France	Solidarity fund for very small companies, self-employed workers and micro-entrepreneurs	Recipients had to be impacted by lockdown restrictions, face a loss of turnover of at least 50% compared with the previous year and have had a turnover of less than €1 million in the year prior to the pandemic.	€1,500 from national level and up to €2,000 on a case-by-case basis from the regions	31 March 2020–30 June 2022	2 million businesses supported by June 2022
	Exceptional Financial Assistance (AFE-COVID)	Self-employed people not covered by the solidarity fund	Up to €1,500 renewable for turnover losses in March, April and May (€500–1,000 in second wave)	First wave, June 2020; second wave, November 2020	No data
Germany	Basic income for the solo self-employed	Solo self-employed people	Basic income to cover housing and other living costs	March 2020–December 2022	No data
Greece	State income benefit for freelancers, the self-employed and sole proprietors	Freelancers, the solo self-employed and the self-employed with up to 20 employees	€800 between March and May 2020; following subsequent expansion of groups of occupations covered, recipients were entitled to payments of between €400 and €800	15 March 2020–19 April 2021	480,810 people between March and April 2020
Hungary	Compensation for the self-employed	Self-employed people in 56 sectors affected by lockdowns	Flat rate of €608 for 2021	8 June 2021–18 December 2021	76,800 (around 13% of self-employed people)
Ireland	COVID-19 pandemic unemployment payment	Self-employed people temporarily unable to work in their business	Flat rate of €350 per week	13 March 2020–1 March 2022	No data specific to the self-employed



Country	Title/description	Eligibility	Replacement rate	Duration	Take up
Italy	COVID-19 indemnity for the self-employed, para-subordinate workers and employees	Self-employed fishermen, self-employed people in areas with very high infection rates, VAT-registered freelancers and occasional self-employed workers whose activity was affected by COVID-19	Flat-rate allowance of €600	1 March 2020–2 September 2020	No data specific to the self-employed
	Extraordinary income	Recipients had to be registered with a 'separate management scheme' and habitually carry out a self-employed activity, their income had to be 50% lower than average over the past three years, they had to have made social insurance payments and they had to have held an active VAT number for four years	25% of income from self-employment in the last non-lockdown month (no less than €254 and no more than €815)	1 January 2021–31 December 2023	No data
Latvia	Idle time allowance for the self-employed	Those whose income had decreased by at least 20–30% (different rates for different months)	March–June 2020, 50–75% of previous income depending on tax regime; October 2021–January 2022, 70% of average monthly income (at least €330 (increased to €500) and no more than €700 (increased to €1,000))	14 March 2020–30 June 2020 and 1 October 2021–31 January 2022	Around 15,000 people
	Wage subsidy for the self-employed	Those whose income from self-employment had decreased by at least 20–30% (different rates for different months) and who were vaccinated individuals active in affected sectors	No data	28 November 2020–30 June 2021	5,271 people
	Extension of unemployment benefit to the self-employed	Self-employed workers or micro-enterprise owners who were without income	50% of average monthly income to a maximum of €700 per month	18 April 2020–31 December 2021	No data
	Support for the beauty care industry	Self-employed workers in the sector (as well as employees)	50–70% of average income (depending on tax status) – no less than €500 and no more than €1,000 per month	19 January 2021–end June 2021	Around 6,000 people
	Support for creative workers	Those with a pre-pandemic income from creative work of not more than €538 per month	One-time grant of €1,614	1 July 2020–end September 2020	648 people
Lithuania	Compensation for the self-employed	Individuals who had been in self-employment for at least three months prior to the state of emergency, were included in the list of those impacted by restrictions, had a monthly income not exceeding €642 and were not bankrupt	Around €260 per month	19 March 2020–31 August 2021	89,138 people (58% of the self-employed) between March and August 2020; 83,121 people between November 2020 and August 2021
Luxembourg	Implementation of emergency aid for independent workers	Self-employed people experiencing financial difficulties due to the pandemic, registered for social insurance with income in 2020 between one-third of and 2.5 times the minimum wage	One-off grants of €2,500 in the first phase and €4,000 in the second and third phases	March 2020–May 2021	11,457 people
Malta	COVID-19 wage supplement	Employees and the self-employed in sectors severely hit by the COVID-19 pandemic	Self-employed people in the hardest-hit sectors received a flat-rate payment of €800 (€500 for part-time workers); those in less hard-hit sectors who were experiencing a reduction in income received a payment of €320	March 2020–May 2022	25% of beneficiaries were self-employed
Netherlands	Bridging Arrangement for Self-employed Entrepreneurs (TOZO)	Recipients had to have been working at least 23.5 hours per week in a self-employed activity and have an income below the minimum wage and/or liquidation problems linked to the pandemic	Income replacement and loan element; means-tested by assessing initially the individual and subsequently the household	1 March 2020–1 October 2021	660,770 businesses

Country	Title/description	Eligibility	Replacement rate	Duration	Take up
Poland	Anti-crisis shield	Self-employed people and freelancers not earning more than the average wage multiplied by three (this condition was later removed); after October 2020, recipients were limited to workers in the tourism and arts sectors	Freelancers with an income 50% below the minimum wage could claim full replacement income; other self-employed workers could obtain an 80% replacement rate	1 April 2020–the time of writing	No data specific to the self-employed
	Unemployment benefit	Covered employees and self-employed workers	Flat-rate benefit of €290	June 2020–September 2020	No data specific to the self-employed
Portugal	Extraordinary support for the reduction of self-employed economic activity	Self-employed people with a reduction in income of at least 40%	Payments of up to the minimum wage (€635) to be claimed for no more than 6 months	5 March 2020–31 December 2021	214,618 applications by end December 2021
	Protection of self-employed and informal workers	Self-employed people and undeclared workers	Monthly payment of €438	1 July 2020–31 December 2020	No data
	Support for artists, authors and technicians	Self-employed people in the performing arts	Monthly payment of €438	10 July 2020 – 30 September 2020	No data
Romania	Allowance for self-employed and non-standard workers	Specific categories of self-employed workers (for example, freelancers, sportsmen and -women) working in areas restricted by the government	75% of average gross wage (approximately €815 per month in 2021) 75% of average gross wage (approximately €700 per month in 2022)	21 March 2020–30 June 2021 20 January 2022–31 March 2022	83,000 people 1,063 people
	Allowance for those partially able to resume work	No data	41.5% of recipient's average salary	10 August 2020–8 June 2022	72,827 people
Slovakia	Support for the self-employed: first-aid measure	Self-employed workers who had to cease activity or saw a drop in revenue of 10% in March 2020 or 20% subsequently	Subsidy depended on level of drop in revenue and was at a fixed rate ranging from €180 to €540 between April and September 2020 and €330 to €870 from 1 February 2021	9 April 2020–28 February 2022	At peak points, 47,444 people in April 2020 and 70,722 people in February 2021
Slovenia	Monthly basic income for the self-employed	Self-employed workers who could not carry out their usual activity or had seen it limited (from April 2020, at least 10% reduced income; from October 2020, at least 20%)	March 2020, €350 per month; April and May 2020, €700 per month; October 2020 onwards, maximum €1,100 per month	13 March 2020–30 June 2021	Approximately 51,000 people
Spain	Income protection for self-employed workers and freelancers during the state of emergency	Self-employed people whose income had reduced by at least 75%	70% replacement rate	18 March 2020–end September 2021	43,000 people (10.7% of the self-employed)
	Income support for the self-employed	Income during six months in which the benefit was received needed to be lower than in the previous year and less than around €8,000	70% replacement rate, later reduced to 50%	1 October 2020–31 January 2021	No data
Sweden	Unemployment benefit for the self-employed having to pause business	Temporary amendments made it possible for self-employed workers to receive unemployment allowance if they continued some activities, to assist in the resumption of operations	No data	13 April 2020–1 January 2022	10,180 people in 2020 and 5,800 people in 2021

Source: Eurofound, COVID-19 EU PolicyWatch database and contributions from the Network of Eurofound Correspondents to this study

## Annex 2: Network of Eurofound Correspondents

**Table A2: Correspondents who contributed to this study**

Country	National correspondent	Organisation
Austria	Bernadette Allinger	Working Life Research Centre (FORBA)
Belgium	Dries Van Herreweghe, Dirk Gillis	HIVA – Research Institute for Work and Society, KU Leuven
Bulgaria	Vassil Kirov	Institute of Philosophy and Sociology, Bulgarian Academy of Sciences
Croatia	Predrag Bejaković, Irena Klemenčić	Institute of Public Finance (IPF), Faculty of Law, University of Zagreb
Cyprus	Alexandros Perdikes	Cyprus Labour Institute (INEK-PEO)
Czechia	Soňa Veverková	Research Institute for Labour and Social Affairs
Denmark	Carsten Jorgensen	Employment Relations Research Centre (FAOS), University of Copenhagen
Estonia	Ingel Kadarik	Praxis Centre for Policy Studies
Finland	Vera Lindström, Elina Härma	Oxford Research AB
France	Christophe Tessier, Frédéric Turlan	ASTREES, IR Share
Germany	Sandra Vogel	German Economic Institute
Greece	Penny Georgiadou, Apostolos Kapsalis	Labour Institute of the General Confederation of Greek Workers (INE GSEE)
Hungary	Éva Palócz	Kopint-Tárki Institute for Economic Research
Ireland	Rosanna Angel	IRN Publishing
Italy	Alessandro Smilari	Fondazione Giacomo Brodolini
Latvia	Krišs Karnītis	EPC Ltd
Lithuania	Inga Blaziene	Lithuanian Social Research Centre
Luxembourg	Gaetan de Lanchy	Luxembourg Institute of Socio-Economic Research
Malta	Luke Fiorini	Centre for Labour Studies, University of Malta
Netherlands	Thomas de Winter	Panteia BV
Poland	Ewelina Wołosik	Ecorys
Portugal	Heloista Perista, Paula Carrilho	Centre for Studies for Social Intervention (CESIS)
Romania	Nicoleta Voicu and Raluca Dimitriu	Syndex Consulting SRL and Association Center for Public Innovation (Asociația Centrul pentru Inovare Publică)
Slovakia	Rastislav Bednárík	Institute for Labour and Family Research
Slovenia	Aleksandra Kanjuo-Mrčela	Faculty of Social Sciences, University of Ljubljana
Spain	Alejandro Godino	Universitat Autònoma de Barcelona
Sweden	Nils Brandsma	Oxford Research AB



## Getting in touch with the EU

### In person

All over the European Union there are hundreds of Europe Direct information centres. You can find the address of the centre nearest you at: [https://european-union.europa.eu/contact-eu\\_en](https://european-union.europa.eu/contact-eu_en)

### On the phone or by email

Europe Direct is a service that answers your questions about the European Union. You can contact this service:

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls)
- at the following standard number: +32 22999696
- by email via: [https://european-union.europa.eu/contact-eu\\_en](https://european-union.europa.eu/contact-eu_en)

## Finding information about the EU

### Online

Information about the European Union in all the official languages of the EU is available on the Europa website at: <https://europa.eu>

### EU publications

You can download or order free and priced EU publications at: <https://op.europa.eu/publications>

Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see [https://european-union.europa.eu/contact-eu\\_en](https://european-union.europa.eu/contact-eu_en)).

### EU law and related documents

For access to legal information from the EU, including all EU law since 1952 in all the official language versions, go to EUR-Lex at: <https://eur-lex.europa.eu>

### Open data from the EU

The EU Open Data Portal (<https://data.europa.eu>) provides access to datasets from the EU. Data can be downloaded and reused for free, both for commercial and non-commercial purposes.

Ensuring greater social protection for self-employed people has been the subject of much policy debate in recent years. In 2019, the Council of the European Union adopted a recommendation on access to social protection for workers and the self-employed. Sudden reductions in income during the COVID-19 pandemic highlighted the vulnerability of many self-employed workers. Using data from the European Working Conditions Telephone Survey, this report examines the working conditions of different groups of self-employed people. It analyses measures taken at EU Member State level to better protect self-employed individuals against the risks of unemployment, workplace accidents and sickness, and presents lessons learned from measures implemented during the pandemic.

---

**The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.**

