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P7\_TA(2014)0014

## **Social protection for all, including self-employed workers**

**European Parliament resolution of 14 January 2014 on social protection for all, including self-employed workers (2013/2111(INI))**

(2016/C 482/07)

*The European Parliament,*

- having regard to Articles 3(3) and 6(3) of the Treaty on European Union (TEU),
- having regard to Articles 9, 53 and 151 to 157 of the Treaty on the Functioning of the European Union (TFEU),
- having regard to Articles 5, 15, 16, 27, 31, 34 and 35 of the Charter of Fundamental Rights of the European Union,
- having regard to Articles 1, 2, 3, 4, 11, 12, 13, 19 and 23 of the (Revised) European Social Charter,
- having regard to the International Labour Organisation (ILO) Convention No 102 (1952) concerning Minimum Standards of Social Security,
- having regard to ILO Convention No 117 (1962) on Social Policy (basic aims and standards),
- having regard to the ILO Convention No 121 (1964) concerning Benefits in the Case of Employment Injury; Convention No 128 (1967) concerning Invalidity, Old-Age and Survivors' Benefits; Convention No 130 (1969) concerning Medical Care and Sickness Benefits; Convention No 168 (1988) concerning Employment Promotion and Protection against Unemployment; and Convention No 183 (2000) concerning the revision of the Maternity Protection Convention,
- having regard to the 2012 ILO recommendation concerning National Floors of Social Protection,
- having regard to the ILO World Social Security Report (2010/11) on 'Providing coverage in times of crisis and beyond' <sup>(1)</sup>,
- having regard to the ILO report of November 2003 on 'Social protection: A life cycle continuum investment for social justice, poverty reduction and development' <sup>(2)</sup>,
- having regard to Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems <sup>(3)</sup>,
- having regard to Directive 2010/41/EU of the European Parliament and of the Council of 7 July 2010 on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity and repealing Council Directive 86/613/EEC <sup>(4)</sup>,
- having regard to Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation <sup>(5)</sup>,
- having regard to the Council Recommendation of 24 June 1992 on common criteria concerning sufficient resources and social assistance in social protection systems (92/441/EEC) <sup>(6)</sup>,

<sup>(1)</sup> [http://www.ilo.org/global/publications/books/WCMS\\_142209/lang-en/index.htm](http://www.ilo.org/global/publications/books/WCMS_142209/lang-en/index.htm)

<sup>(2)</sup> <http://www.ilo.org/public/english/protection/download/lifecycl/lifecycle.pdf>

<sup>(3)</sup> OJ L 166, 30.4.2004, p. 1.

<sup>(4)</sup> OJ L 180, 15.7.2010, p. 1.

<sup>(5)</sup> OJ L 303, 2.12.2000, p. 16.

<sup>(6)</sup> OJ L 245, 26.8.1992, p. 46.

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- having regard to the Council Recommendation of 27 July 1992 on the convergence of social protection objectives and policies (92/442/EEC) <sup>(1)</sup>,
- having regard to the Council Conclusions of 17 December 1999 on the strengthening of cooperation for modernising and improving social protection <sup>(2)</sup>,
- having regard to the report of the Social Protection Committee of 10 February 2011 entitled ‘SPC Assessment of the social dimension of the Europe 2020 Strategy’ <sup>(3)</sup>,
- having regard to the Commission communication of 3 March 2010 entitled ‘Europe 2020: a strategy for smart, sustainable and inclusive growth’ (COM(2010)2020),
- having regard to the Commission communication of 16 February 2012 entitled ‘White Paper — an Agenda for Adequate, Safe and Sustainable Pensions’ (COM(2012)0055),
- having regard to the Commission Review of 8 January 2013 on ‘Employment and Social Developments in Europe 2012’ <sup>(4)</sup>,
- having regard to the Commission communication of 20 August 2012 entitled ‘Social Protection in European Union Development Cooperation’ (COM(2012)0446),
- having regard to the Commission Green Paper of 22 November 2006 on modernising labour law to meet the challenges of the 21st century (COM(2006)0708),
- having regard to the opinion of the European Economic and Social Committee of 29 April 2010 on ‘New trends in self-employed work: the specific case of economically dependent self-employed work’ <sup>(5)</sup>,
- having regard to the opinion of European Economic and Social Committee of 21 March 2013 on ‘Abuse of the status of self-employed’ <sup>(6)</sup>,
- having regard to the Commission communication of 3 October 2008 on a Commission recommendation on the active inclusion of people excluded from the labour market (COM(2008)0639) and its resolution of 6 May 2009 on the active inclusion of people excluded from the labour market <sup>(7)</sup>,
- having regard to the Commission communication of 14 October 2009 (COM(2009)0545) and its resolution of 20 May 2010 on the long-term sustainability of public finances for a recovering economy <sup>(8)</sup>,
- having regard to its resolution of 6 July 2010 on atypical contracts, secured professional paths, flexicurity and new forms of social dialogue <sup>(9)</sup>,
- having regard to its resolution of 15 March 2006 on social protection and social inclusion <sup>(10)</sup>,
- having regard to its resolution of 20 October 2010 on the role of minimum income in combating poverty and promoting an inclusive society in Europe <sup>(11)</sup>,
- having regard to its resolution of 11 September 2013 on tackling youth unemployment: possible ways out <sup>(12)</sup>,

<sup>(1)</sup> OJ L 245, 26.8.1992, p. 49.

<sup>(2)</sup> OJ C 8, 12.1.2000, p. 7.

<sup>(3)</sup> <http://register.consilium.europa.eu/pdf/en/11/st06/st06624-ad01.en11.pdf>

<sup>(4)</sup> <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7315>

<sup>(5)</sup> OJ C 18, 19.1.2011, p. 44.

<sup>(6)</sup> OJ C 161, 6.6.2013, p. 14.

<sup>(7)</sup> OJ C 212 E, 5.8.2010, p. 23.

<sup>(8)</sup> OJ C 161 E, 31.5.2011, p. 112.

<sup>(9)</sup> OJ C 351 E, 2.12.2011, p. 39.

<sup>(10)</sup> OJ C 291 E, 30.11.2006, p. 304.

<sup>(11)</sup> OJ C 70 E, 8.3.2012, p. 8.

<sup>(12)</sup> Texts adopted, P7\_TA(2013)0365.

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- having regard to its resolution of 9 October 2008 on stepping up the fight against undeclared work <sup>(1)</sup>,
  - having regard to its resolution of 23 May 2007 on promoting decent work for all <sup>(2)</sup>,
  - having regard to its resolution of 11 July 2007 on modernising labour law to meet the challenges of the 21st century <sup>(3)</sup>,
  - having regard to its resolution of 5 July 2011 on the future of social services of general interest <sup>(4)</sup>,
  - having regard its resolution of 15 November 2011 on the European Platform against poverty and social exclusion <sup>(5)</sup>,
  - having regard its resolution of 21 May 2013 on an Agenda for Adequate, Safe and Sustainable Pensions <sup>(6)</sup>,
  - having regard to its resolution of 12 June 2013 on the Commission communication entitled ‘Towards Social Investment for Growth and Cohesion — including implementing the European Social Fund 2014-2020’ <sup>(7)</sup>,
  - having regard to the study by the Committee on Employment and Social Affairs of May 2013 on ‘Social protection rights of economically dependent self-employed workers’ <sup>(8)</sup>,
  - having regard to the European Foundation for the Improvement of Living and Working Conditions (Eurofound) customised report of 2013 on ‘Self-employed or not self-employed? Working conditions of “economically dependent workers”’ <sup>(9)</sup>,
  - having regard to the Eurofound report of 2 March 2009 on “Self-employed workers: industrial relations and working conditions” <sup>(10)</sup>,
  - having regard to the Eurofound comparative report of April 2013 on “Social partners” involvement in unemployment benefit regimes in Europe’ <sup>(11)</sup>,
  - having regard to Rule 48 of its Rules of Procedure,
  - having regard to the report of the Committee on Employment and Social Affairs and to the opinion of the Committee on Women’s Rights and Gender Equality (A7-0459/2013),
- A. whereas access to social security is a fundamental right which, in accordance with Community law, national laws and practices, is a key element of the European social model; whereas the International Labour Organisation (ILO) has adopted recommendations on ‘national floors of social protection’ with the aim of safeguarding the right of every individual to social security and a decent standard of living;
- B. whereas social security is a national competence, coordinated at EU level;
- C. whereas social protection facilitates adaptation to changes in the labour market, combats poverty and social exclusion, secures labour market integration and invests in human resources; whereas social security has a stabilising effect on the economy and an anticyclical function which can boost domestic demand and consumption;

<sup>(1)</sup> OJ C 9 E, 15.1.2010, p. 1.

<sup>(2)</sup> OJ C 102 E, 24.4.2008, p. 321.

<sup>(3)</sup> OJ C 175 E, 10.7.2008, p. 401.

<sup>(4)</sup> OJ C 33 E, 5.2.2013, p. 65.

<sup>(5)</sup> OJ C 153 E, 31.5.2013, p. 57.

<sup>(6)</sup> Texts adopted, P7\_TA(2013)0204.

<sup>(7)</sup> Texts adopted, P7\_TA(2013)0266.

<sup>(8)</sup> <http://www.europarl.europa.eu/committees/en/studiesdownload.html?languageDocument=EN&file=92570>

<sup>(9)</sup> <http://www.eurofound.europa.eu/publications/htmlfiles/ef1366.htm>

<sup>(10)</sup> <http://www.eurofound.europa.eu/comparative/tn0801018s/tn0801018s.htm>

<sup>(11)</sup> [http://www.eurofound.europa.eu/eiro/studies/tn1206018s/tn1206018s\\_3.htm](http://www.eurofound.europa.eu/eiro/studies/tn1206018s/tn1206018s_3.htm)

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- D. whereas, to tackle the crisis, certain Member States have made severe cuts in public expenditure at the same time as demand for social protection has increased in response to the rise in unemployment; whereas national budget allocations for social security cover have been further stretched as contributions have fallen in the wake of wide-scale job losses or wage cuts, thus placing the European social model at a real risk;
- E. whereas social protection coverage in certain Member States is inadequate and could be improved; whereas cases of vulnerable workers being abused in the EU still exist;
- F. whereas while most traditional social protection models, in particular social security and labour law systems, are designed to safeguard the social and employment rights of people in employment, there is a risk that with the new forms of employment which are emerging and with an increasing number of self-employed workers, new groups of workers may be faced with decreased social protection;
- G. whereas women who choose to become entrepreneurs cite, more often than men, a better work-life balance and/or economic necessity as the main motivation for their decision;
- H. whereas self-employed women are in the minority among self-employed workers, but are more likely to fall into poverty;
- I. whereas a lack of access to adequate pension rights, sick pay, paid leave and other forms of social security for the self-employed aggravates the gender pay gap for self-employed women, especially following retirement;
- J. whereas an increasing number of those who are self-employed or faced with little or badly paid work, in particular women, are falling below the poverty line but are not officially registered as unemployed;
- K. whereas it could be useful to lay down a clear definition of bogus self-employment and to prevent abuses in this regard so as to avoid violations of workers' social rights, distortions of competition and the risk of social dumping;
- L. whereas false self-employment is basically a form of partial contribution evasion that is difficult to detect and undermines the sustainability and adequacy of pension schemes, depriving them of vital resources;
- M. whereas the particularly high unemployment levels in many Member States, compounded by the constant pressure to reduce (unit) labour costs are leading to national labour market trends and practices which encourage the further development and growth of false self-employment;
- N. whereas, given that the working conditions of those self-employed people who are not economically independent are not radically different from those of salaried workers, their social security and employment rights ought to resemble more closely those of salaried workers where appropriate;
- O. whereas there is a lack of reliable, accurate and comparable information and data on the situation, working conditions and social security arrangements for combining work and care as regards the self-employed;
- P. whereas in 2012, self-employment represented more than 15 % of total employment in the EU, while in some cases it is not the preferred option of the person concerned, but rather a necessity owing to a lack of other job opportunities or sufficiently flexible working arrangements to combine work and care for dependents; whereas in many Member States it is difficult for the self-employed to acquire sufficient pension rights, thereby increasing the risk of future poverty for those concerned; whereas economically dependent self-employed workers are rarely organised in or represented by trade unions, even if they are more likely to be victims of working time and other abuses;

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***Social security for all***

1. Stresses that it is necessary to constantly optimise and modernise social protection systems at Member States level in order to ensure sound, sustainable and adequate social protection for all, based on the principles of universal access and non-discrimination, as well as the capacity to respond in a flexible manner to demographic changes and labour market developments;
2. Calls on the Member States to ensure responsible and sustainable long-term financing of social security systems, particularly in periods of economic crisis, as well as to develop the preventive arm of social security systems and place greater emphasis on activating measures, while not overlooking the fact that one of the most important aspects of social investments is the fact that they enable the reconciliation of social and economic goals and may contribute in the long term to retaining and developing the economy; considers, in this connection, that social investments should be viewed as just that — investments, rather than expenditure;
3. Draws attention to the fact that in some Member States ageing populations, low birth rates and changing labour markets may increase the urgency of the need for reforming social security systems, including pensions, so as to guarantee their sustainability; emphasises the fact that women more frequently take career breaks and assume part-time employment than men for the purpose of caring for children and other dependents, which may have a negative impact on their pensions and place them at a greater risk of poverty; calls on the Member States, in this connection, to view these career-break periods as insured periods when establishing and calculating pension entitlements; stresses that reforms should involve social partners, in accordance with national law and practices, as well as relevant stakeholders, and be properly communicated to citizens;
4. Calls on the Member States to ensure national social protection which will safeguard a decent income established by each country and guarantee access to basic social benefits, particularly in the event of illness, unemployment, maternity, disability and retirement, etc., in order to combat poverty and social exclusion in the Member States; encourages the Member States to draw up strategies for the development of social security in line with the ILO proposals;
5. Emphasises the fact that effective social protection of a sufficiently high quality should be based on measures to promote participation in employment, which contributes to the improvement of health and safety at work and the enhancement of productivity, which is a major competitive advantage; stresses that lowering the level of social protection should not be seen as a solution paving the way to increased levels of employment;
6. Calls on the Commission and the Member States to ensure that all workers and self-employed persons have access to lifelong learning by redistributing existing EU and national funding from workers with permanent contracts only to all workers — including the self-employed — irrespective of their contract type;
7. Calls on the Member States to make greater efforts to implement structural reforms and measures in order to create jobs for young people and ensure that young workers are not discriminated against through the restriction of their social security entitlements; calls also on the Member States, in cooperation with the Commission, to ensure adequate social protection for young people in traineeship and apprenticeship schemes designed to provide them with work experience;
8. Stresses that older people are not an economic and social burden but, on the contrary, their experience acquired over a lifetime and their knowledge are an asset; suggests that, in the context of intergenerational solidarity, employees over 60 should be encouraged to remain available on the labour market with a view to transmitting their knowledge and experience to successive generations;
9. Calls on the Member States to ensure the availability of affordable childcare and education facilities and to ensure access for self-employed workers to public services and relevant tax and social advantages in the area of childcare;
10. Calls on the Member States to facilitate the possibility for all workers, including self-employed workers and any spouses or partners who participate in their activities, to combine work and care responsibilities, including by speeding up the application of Articles 7 and 8 of Directive 2010/41/EU of 7 July 2010, and by providing workers at their request with flexibility regarding working hours, teleworking and part-time work for the purpose of caring for minors and dependants;

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11. Highlights the need to provide further training and retraining opportunities to employees, the self-employed and those moving from employment to self-employment; calls on the Member States, in this connection, to remove obstacles to further training and retraining, and to promote lifelong learning for all;
12. Calls on the Member States to promote and facilitate self-organisation among self-employed persons, especially women, in order to increase their ability to defend their collective interests;
13. Calls on the Member States to guarantee adequate social security also for the most vulnerable groups such as the unemployed, the disabled, single-parent families, young families, the young, the elderly and pensioners; calls also on the Member States to ensure that social services are made more accessible for all members of vulnerable social groups and persons with long-term care needs, particularly in rural areas and disadvantaged regions;
14. Calls on the Member States and the Commission, according to their competences, to take steps to combat all forms of discrimination in the labour market, including that against women, and to adopt social protection measures to ensure that women's pay and welfare entitlements, including pensions, are not lower than those of men doing the same job, to safeguard their maternity entitlements, to take measures to prevent the unfair dismissal of employees during pregnancy and to protect women and men with care responsibilities from unfair dismissal; calls also on the Council to speed up the adoption of the directive concerning the implementation of measures to encourage improvements in the safety and health of pregnant workers, workers who have recently given birth and women who are breastfeeding;
15. Stresses that Directive 2010/41/EU on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity requires the Member States to tackle all obstacles that prevent women and their spouses or partners recognised under national law from benefiting from the social protection to which they are entitled under that law;
16. Calls on the Member States to take effective action in response to cases involving a lack of social protection in small and very small family enterprises for employed family members, including their spouses (partners), as a result of their unclear and informal terms of employment or them being self-employed;
17. Encourages the Member States to take practical steps to combat poverty and social exclusion, by providing an appropriate minimum income and a social security system, taking into account marginalised communities and those at risk of poverty, in accordance with their own national practices, including provisions set out in collective agreements or national legislation;
18. Calls on Member States to step up their efforts to combat undeclared employment and precarious work, including false part-time jobs, and to ensure that all workers enjoy appropriate social protection; deplores, furthermore, the abuse of non-standard employment contracts in order to avoid having to comply with employment and social protection obligations;
19. Calls on the Member States to improve administrative cooperation between the different institutions (labour inspectorates, tax offices, municipal authorities and social security services) at national and EU level, as a means of facilitating the implementation of Union labour law provisions, reducing undeclared work and resolving more effectively the problems caused by disparities between labour market regulatory provisions in the different Member States;
20. Calls on the Commission to review legislation and monitor the implementation and coordination of social security systems, where necessary in respect of the subsidiarity principle, and draws Member States' attention to the fact that EU migrant workers working in another Member State should not be subjected to discriminatory social protection rules; believes that all EU migrant workers should enjoy adequate social security entitlements and cover when working in another Member State; workers posted in connection with the free movement of services must, prior to their posting, be informed by their employer of pay and working conditions in accordance with Directive 96/71/EC;

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21. Invites the Commission and the Member States to strike an appropriate balance between labour market security and flexibility, for example through the global implementation of flexicurity principles, and address labour market segmentation by providing adequate social cover for those in transition or employed under temporary or part-time contracts, while at the same time ensuring access to training opportunities; points out that failure to ensure flexicurity would detract from the sustainability of social security systems, the quality of benefits, workforce earnings and productivity, the real economy and social cohesion, and, as a result, would undermine the EU 2020 Strategy for maintaining and increasing employment levels;

22. Calls on the Commission to conduct an EU-wide study into whether, as a result of recent changes made to Member State labour laws with a view to making the labour market more flexible, employees' social security cover has not been diminished and the principle of flexibility with security has not been infringed;

23. Strongly supports the proposed establishment of a scoreboard of key employment and social indicators, which could be a first step in identifying concrete benchmarks;

24. Urges the Commission to include in its proposals, where appropriate, the four targets set in the ILO Decent Work Agenda, and to consider the targets set in the ILO Social Protection Floors Recommendation in the annual growth review, so that all workers in Europe may enjoy social protection;

#### ***Social security cover for self-employed workers***

25. Stresses that self-employment needs to be recognised as a form of work which helps to create jobs and reduce unemployment, and that the expansion of self-employment should go hand-in-hand with appropriate social protection for the self-employed as defined in the Member States' national legislation;

26. Calls on Member States to facilitate the combination of work and care responsibilities by providing workers with flexibility with regard to working hours and place of work in order to avoid a situation whereby they have no options for flexibility other than to resort to dependent self-employment;

27. Emphasises the need for more detailed, up-to-date statistics to be made available for the purpose of analysing the economic significance of self-employed workers and the various categories of self-employment; calls also for the inclusion of questions concerning self-employment in the European Union labour force survey;

28. Draws attention to the fact that the absence of a clear national definition of self-employment increases the risk of false self-employment among EU workers and can hamper their access to adequate social security; notes that the different statuses attributed to self-employed workers among the Member States require solutions leading to better coordination of social security for self-employed workers so as not to restrict the free movement of workers;

29. Calls on the Commission to promote exchanges between Member States in order to provide guidance on the different forms of atypical employment and self-employment, so as to assist Member States to properly apply the relevant labour laws and social protection measures to workers so employed; considers it necessary also for Member States to clearly identify false self-employment and sanction employers if such cases are identified and proven; stresses, however, that it should remain the legal responsibility of the host Member State in whose territory the work is carried out to determine employment status;

30. Calls on European social partners, the Commission and the Member States to study the issue of dependent self-employment and find practical solutions thereto, particularly in those sectors where cross-border activities play an important role and among vulnerable groups such as domestic and low-paid workers;

31. Urges Member States to ensure that self-employment does not become a means of preventing workers from benefiting from social and job security or a means for employers to circumvent labour and social security law; requests also that self-employed workers should not be grouped with employed workers, so as to preserve the advantages of self-employment and economic activity of this kind, and to help develop a spirit of entrepreneurship and service quality;

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32. Calls on Member States to develop, where necessary, social protection in relation to retirement, disability, maternity/paternity leave and unemployment so that social protection provisions for self-employed workers are better adapted to the needs of those workers;

33. Calls on Member States to promote and support group insurance for occupational accidents and illness; calls on Member States to ensure access to collective and solidarity-based insurance and pension schemes for the self-employed;

34. Calls on Member States to make information available to all citizens regarding their rights to social protection and also to provide appropriate information to those wishing to become self-employed workers on the changes to their social protection and the labour law applicable to them arising from such a change in status, as well as changes in other rights and obligations linked to their economic activity; calls also on the Commission to make information available to the self-employed and mobile workers regarding their rights and obligations in connection with migration, immigration and cross-border work;

35. Calls on the Member States and the Commission to involve social partners, in accordance with national practises, in a process of developing and modernising social protection and to develop the social dialogue at EU and national level; calls also on social partners to place issues linked to the labour rights and social protection of self-employed workers on the agenda, in order to introduce adequate social protection framework provisions for the self-employed, based on reciprocity and the principle of non-discrimination, and analyse if and how self-employed workers should be included in collective bargaining, including specific strategies on how to include the concerns of self-employed workers in cases where national law does not allow for trade union representation of self-employed workers; encourages social partners to exchange good practices among trade unions and professional associations on services provided to the self-employed, fighting bogus self-employment, and organising own-account self-employed workers;

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36. Instructs its President to forward this resolution to the Council, the Commission, and the parliaments of the Member States.

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