

Social Protection of Professional Self-Employed: A Survey on National Frameworks in the 27 EU Member States

Project 101102415: SP4SE
Social Protection for the Self-Employed

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Introduction

In the contemporary evolution of the labour market, the traditional full-time open-ended employment contract is no longer representative of the main workforce dynamics. The rise of professional self-employment (PSE) as a transformative force of economic participation represents a profound shift in how individuals engage in labour activities. According to the most viable definition, which will be later discussed, PSEs are independent and autonomous workers primarily engaged in intellectual activities. Furthermore, second-generation professional self-employed (Bologna & Fumagalli, 1997) form a heterogeneous group that adds to traditional PSEs, encompassing a diverse array of categories, such as short part-time or seasonal workers, on-demand workers, and freelancers.

These individuals regulate their activity based on different organizational structures. Many features of their employment life can vary based on factors such as age, gender, geographic location, and the economic sector. Furthermore, the emergence of new forms of entrepreneurial ventures and gig-based occupations from digital platforms triggers new dynamics that states have not yet fully embraced.

Over the past decade, due to global and regional imbalances compounded by the formidable challenges posed by the pandemic, the number of independent and self-employed workers in the European Union (EU) has experienced a notable decline. While in 2011 independent workers accounted for 14.6% of the total working population in the EU, in 2021 they were reported to have decreased of -1.5% (13.1%)¹.

Remarkably, Germany, France, Italy, and Poland, owing to their extensive populations, host the highest concentrations of self-employed individuals. This class of contributors plays a pivotal role in propelling gross domestic product, fostering innovation, and contributing to the cultural fabric of their respective countries.

However, many PSEs and their families face significant hurdles in accessing comprehensive social protection coverage. This manifests as outright exclusion from crucial benefits in national regimes or, in more favourable scenarios, entitlement to coverage on a voluntary basis. While the non-compulsory approach may be suitable for mitigating risks associated with entrepreneurial pursuits, its reason-to-be becomes less explicable when considering protection from events, such as illness, which are not associated with the economic status or activity of the worker.

The regulatory landscape, at times, grapples with a delicate (often ill-proportionate) balance between universal rules ensuring equal treatment and custom-made regulation. Income and time thresholds, including qualifying periods, waiting periods, minimum working periods, and the duration of benefits, if inadequate, might present an excessively challenging barrier to accessing social protection for self-employed individuals. Tailored regulation might be preferable

¹ Source: EU LFS Cedefop, available at: *europa.eu*; cf. Osservatorio Libere Professioni (2023).

when specific challenges tied to diverse employment scenarios have to be addressed, but this is not always the case.

Furthermore, a significant cohort of workers bears a dual employment status, meaning that they work both as employees and self-employed. This exposes them to a situation of double vulnerability. These patterns illustrate how current trends perpetuate discrimination and precarious conditions, disproportionately affecting a segment of the workforce that undeniably plays a dynamic role in shaping and fortifying national economies. Yet, in some countries a remarkable difference between traditional PSEs and new forms of self-employment exists. While some professions are eligible for the social protection offered by general private insurance systems, new forms of self-employment are not organized and, therefore, lack any minimum protection. This is due to the fact that social protection systems emerged and were strengthened with regard to subordinate employment.

A fundamental principle underpinning the European Union (EU) as a supranational organization is freedom of establishment, which applies also to self-employed people. As labour markets transform, it becomes imperative to examine the intersection of self-employment with existing national social protection frameworks. Understanding the best practices and how their characteristics influence worker mobility is crucial, not to mention the fact that the diversity of national regulations, traditionally unharmonized, becomes a distinctive aspect of the subject requiring further analysis.

In the face of such heterogeneity, it is more than necessary to adopt a thorough comparative approach, involving all EU 27 Member States, so as to identify common patterns that can serve as a basis for future harmonization efforts.

A similar approach becomes even more significant in the context of post-pandemic recovery, where there is a shared acknowledgement of the necessity for European engagement in universalizing social protection.

The pandemic laid bare the decades-old vulnerabilities of the above-described evolving employment landscapes, revealing gaps in traditional protection measures. While the post-pandemic phase has witnessed an unprecedented (albeit not permanent) investment in social protection and income support mechanisms, it has also underscored the importance of establishing robust and sustainable methods to address the changing nature of employment.

This stresses the need to provide grounds for policy considerations that address the essential necessities of PSE, aligning with recent strategies deployed at the EU level. In particular, the Council Recommendation of 8 November 2019 on access to social protection for workers and the self-employed seeks to remedy the struggles that the self-employed face in contexts where social protection is not adequate. Within this framework, the Council calls the Member States to uphold shared objectives, including the establishment of common standards in the field of social protection to ensure a formal, effective, transparent and adequate coverage for the self-employed. Furthermore, with a view to conduct an informed policymaking, Member States are required to gather national data, enabling the compilation of labour statistics and dissemination of national figures on access to social protection.

In exploring the implications of these dynamics, a crucial role can be played by social partners. It is apparent that the immense challenges posed by the construction of a social protection system cannot rely solely on public resources but

must also leverage the resources of private associations and networks of professional organizations. Just as in the past trade unions and cooperative associations were fundamental in pooling private resources to provide mutual assistance, benefits, or insurance in times of need, thus shaping the modern social protection systems for employees, a similar path must be charted today for the development of systems covering the self-employed.

To this end, the following report aims at: a) understanding the complexity of existing social protection national schemes and their correspondence with the needs of the self-employed; b) highlighting the role social partners can play in promoting adequate coverage schemes at the EU level; c) promoting a mutual learning process on social protection for professionals self-employed; d) fostering social dialogue and cooperation at sectoral level by building the capacity of national social partners to tackle PSE's issues.

As will be further discussed below, the report will illuminate a set of legal intricacies that demand careful consideration and informed policy interventions. In the following pages, we will first disentangle the problems related to the lack of a shared definition of professional self-employment. Then, we will unpack the concept of social protection, which has in our view a broader meaning than social security, comprising all measures protecting work in case a specific life event occurs. Before a comprehensive analysis of the national social protection schemes of the 27 EU Member States is conducted, the historical background will demonstrate that the evolution of the social protection policy at the EU level is still in the making, leaving room for radical changes.

List of Abbreviations

CEU	Council of the European Union
EEC	European Economic Community
EES	European Employment Strategy
EPSR	European Pillar of Social Rights
ESF	European Social Fund
ESF+	European Social Fund Plus
EMU	Economic and Monetary Union
EPSCO	Employment, Social Policy, Health and Consumer affairs Council
ESM	European Social Model
ESU	European Social Union
ILO	International Labour Organization
MISSOC	Mutual Information System on Social Protection
NACE	Nomenclature of Economic Activities
NIP	National Implementation Plan
OMC	Open Method of Coordination
PSE	Professionals Self-Employed
SEA	Single European Act
SURE	European instrument for temporary Support to mitigate Unemployment Risks in an Emergency

1. Emerging EU Legal Framework and EU Policy on Social Protection for the Self-Employed: the 2019 Recommendation

This section outlines the important milestones set by the Council Recommendation on Access to Social Protection for workers and the self-employed (hereinafter, the 2019 Recommendation)² adopted by the European institutions to define a common reference framework for access to social protection for all workers, including self-employed workers.

The 2019 Recommendation was enacted on 8 November, a year and a half after that the European Commission presented its March 2018 Proposal for a Council Recommendation on access to social protection for workers and the self-employed³.

This Recommendation is part of the implementation process of the European Pillar of Social Rights (EPSR) proclaimed in 2017 at the Gothenburg Summit by the European Parliament, the Council and the Commission. The Pillar is halfway between a European charter of social rights and the promotion of soft law measures. As will be detailed below, it contains key principles and rights to promote a fairer and more inclusive social Europe, with effective welfare systems and labour markets.

The Recommendation draws on principle 12 of the EPSR which stresses 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”. This principle is remarkable as it recognizes the need to guarantee adequate social protection for all workers, both employed and self-employed, and therefore contributes to the definition of an adequate standard of guarantees and rights for non-traditional employment relationships.

Therefore, the Recommendation is grounded in the assumption that “social protection systems in their different forms are the cornerstone of the European social model and of a well-functioning social-market economy” (recital 8).

With the transformations of labour markets, social protection systems must also evolve, in order to relaunch the European social model to integrate the societies and economies of the Union into a more inclusive future. In most Member States, however, the rules governing contributions and entitlements for social protection schemes are still largely based on full-time and permanent contracts between a worker and a single employer, while other groups of employed, non-standard, independent and self-employed workers are limitedly covered (recital 13).

Following this, “social protection is considered to be adequate when it allows individuals to uphold a decent standard of living, reasonably replace their income loss and live with dignity, and prevents them from falling into poverty while contributing, where appropriate, to activation and facilitating the return to work”

² Council of the European Union, *Recommendation on Access to social protection for workers and the self-employed* (2019/C 387/01), available at europa.eu.

³ COM/2018/0132 final, available at europa.eu.

(recital 17).

As per Article 1, Member States are recommended to provide access to adequate social protection for all workers and self-employed persons, notwithstanding the power of each Member State to organize their social protection systems. The branches of social protection covered by the Recommendation are featured in Article 3: a) unemployment benefits; b) sickness and healthcare benefits; c) maternity and equivalent paternity benefits; d) invalidity benefits; e) old-age benefits and survivors' benefits; f) benefits in respect of accidents at work and occupational diseases.

Article 2 states that this Recommendation covers the right to participate in a scheme as well as the build-up and take-up of entitlements. Specifically, Member States are recommended to uphold the following principles for all workers, including those who are self-employed.



Figure 1. Objectives of Recommendation (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).

Formal Coverage (Article 8): To enhance formal coverage and extend it comprehensively, the Recommendation proposes the inclusion of all workers, irrespective of their employment relationship, on a mandatory basis. Additionally, it suggests providing self-employed individuals with the option for voluntary coverage and, where deemed appropriate, mandatory inclusion.

Effective Coverage (Articles 9-10): Member States are recommended to ensure effective coverage for all workers, regardless of employment type, and for the self-employed, subject to the conditions outlined in point 8. This should be done while maintaining the sustainability of the system and implementing safeguards to prevent abuse.

Adequacy (Articles 11-14): In case a risk covered by social protection schemes for workers and the self-employed materializes, Member States are encouraged to guarantee that the schemes offer an adequate level of protection in timely manner and in line with national circumstances. This involves maintaining

a decent standard of living, providing suitable income replacement, and preventing affected members from falling into poverty. Member States are recommended to ensure that the contributions to social protection are proportionate to the contributory capacity of workers and the self-employed.

Transparency (Articles 15-16): Member States are recommended to ensure that the conditions and rules for all social protection schemes are transparent and that individuals have access to updated, comprehensive, accessible, user-friendly and clearly understandable information about their individual entitlements and obligations, free of charge. Member States are recommended to simplify, where necessary, the administrative requirements of social protection schemes for workers, the self-employed and employers, in particular micro, small and medium-sized enterprises.

2. Unpacking the Definition, Nature, and Significance of Professional Self-Employment

This section will outline the different definitions of self-employed workers focusing particularly on providing an operational definition of Professional Self-Employed workers (PSE). The study will concentrate on PSE individuals as the focal point of the research to analyse their access to adequate social protection in the EU Member States.

2.1. A Review of Existing Definitions

According to Recital 12 of the 2019 Recommendation⁴, the “self-employed” is a category which “form[s] a heterogeneous group. Most individuals voluntarily choose to be self-employed, with or without employees, taking the risk to become entrepreneurs, while one out of five self-employed persons is self-employed because he or she cannot find a job as an employee”.

In general, a self-employed individual may be referred to as an independent and autonomous worker. This stands in contrast to an employee, who operates under the subordination and dependence of an employer, whether in the public or private sector. The category of self-employed workers, therefore, encompasses a wide number of workers with varying roles, organizations, and responsibilities. According to the European Union Labour Force Survey from Eurostat, self-employed can be defined as “those who work in their own business, professional practice or farm for the purpose of earning a profit, and who employ no other persons” (Eurofound, 2019b).

In fact, the categories outlined by Eurostat do not fall under the same social protection legal framework and are subject to diverse needs and patterns of organization. For this reason, this analysis will focus on a more specific subgroup, namely the Professional Self-Employed (PSE).

This category closely resembles that of liberal professions, as defined in recital 43 of the Directive on the Recognition of Professional Qualifications⁵. In this provision, “liberal professions” are referred to as those “practised on the basis of relevant professional qualifications in a personal, responsible and professionally independent capacity by those providing intellectual and conceptual services in the interest of the client and the public”.

Furthermore, it is stated that “the exercise of the profession might be subject in the Member States, in conformity with the Treaty, to specific legal constraints based on national legislation and on the statutory provisions laid down autonomously, within that framework, by the respective professional representative bodies, safeguarding and developing their professionalism and quality of service and the confidentiality of relations with the client”.

Although mainly aimed at embracing the traditional category of regulated

⁴ Available at europa.eu.

⁵ Directive 2005/36/EC of the European Parliament and of the Council of 7 September 2005 on the recognition of professional qualifications, Directive 2005/36/EC, available at europa.eu.

professions, this definition is general enough to include the so-called “new professions”, which have emerged in more recent times. New professions lack the typical systems of national regulation, as experimented in the history of European liberal professions.

In continuity with this definition, Eurofound (2019a) categorizes PSE as “independent professionals”, referring to individuals who are “highly skilled self-employed workers engaged in activities of an intellectual nature and/or working within the service sector (as opposed to the farming, craft, or retail sectors)”. While the use of technical tools in professional practice is not excluded, a defining characteristic of PSE is the prevalence of intellectual activity. Intellectual independence shall be considered as a predominant feature in any PSE definition, as it emphasizes the primary function of professional services as not solely market-oriented but aligned with the broader interests of the polity.

Consequently, PSE’s category is better understood when encompassing both the traditional liberal professions, as historically evolved in modern and contemporary societies and new professions. The first branch incorporates professionals such as lawyers, healthcare professionals, engineers, architects, etc., which are typically associated on a mandatory basis under a regulatory institution, such as a professional council entrusted with public functions, and submitted to legally enforceable ethical standards. Conversely, the second branch, often referred to as the second generation of professional self-employed, comprises new emerging professionals engaged in knowledge work, teaching, researching, publishing, advertising and communication. New self-employed are, therefore, freelance journalists or designers, ICT and digital specialists, technicians, as well as consultants and so on.

Indeed, more and more frequently, PSEs organize their working activities based on professional undertakings shaped in more complex structures than merely unipersonal cabinets. It is understood that any form of complex organization must not entail any supervisory interventions or interventions by subjects, other than those required by law, affecting the operational independence and the professional’s right to choose the appropriate means, in line with the ethical and best practice standards of the particular profession.

Professional Self-Employed (PSE) workers are highly skilled individuals engaged in intellectual or service-oriented activities. While they may use technical tools, their defining feature is intellectual activity and independence. This independence emphasizes that their work serves not only market demands but also broader societal interests. PSE category includes both traditional liberal professions and new professions, practiced independently by qualified individuals providing intellectual services in the interest of clients and the public.

Definition of Professional Self-Employed (PSE)

2.2. The EU Legal Framework on the Self-Employed

As highlighted by the EU Commission (2023) Report, in 2021 in 19 EU Member States, self-employed individuals often lack coverage across all facets of social

protection. This gap arises because Welfare States and social protection systems are frequently tailored to conventional, salaried employment structures, specifically those of full-time, permanent, and dependent workers. Nevertheless, it is crucial to recognize the diverse nature of self-employed workers, each presenting unique social protection needs.

Differences arise among traditional agricultural workers, small-scale entrepreneurs, traders, and craftsmen, or individuals engaged in traditional liberal professions. The needs of this category are further diversified because of the inclusion of self-employed engaged in online services or new unregulated professions, as well as artists and entertainment professionals, athletes, and even those associated with contemporary forms of self-employment in the digital era, such as platform workers. The heterogeneous nature of this group underscores the necessity for nuanced and adaptable approaches to address their varied social protection requirements.

In the EU Treaties, particularly in the Treaty on the Functioning of the European Union (TFEU), self-employment is addressed in the context of the freedom of movement and the freedom of establishment for individuals providing services as self-employed persons or seeking the right of establishment in other Member States (articles 49-53 TFUE). This ensures that self-employed individuals enjoy unrestricted mobility across EU countries as professionals or service providers. According to Article 49, “Freedom of establishment shall include the right to take up and pursue activities as self-employed persons”.

The European institutions promote access to and exercise of autonomous activities in the common European space by adopting “directives for the mutual recognition of diplomas, certificates and other evidence of formal qualifications and for the coordination of the provisions laid down by law, regulation or administrative action in Member States concerning the taking-up and pursuit of activities as self-employed persons” (art. 53 TFUE). Several directives have been enacted on the matter, including the one previously mentioned concerning the recognition of personal qualifications (Directive 2005/36/EC).

Nonetheless, the free movement of self-employed workers — in particular self-employed professionals — remains problematic, also due to a lack of recognition of common access to social protection in the different member states. The lack of a consistent and harmonized framework for social protection not only poses a significant challenge to achieving equitable welfare but also represents a formidable obstacle to the achievement of the fundamental liberties acknowledged in the Treaties.

Furthermore, the status of self-employed workers in EU legislation remains elusive, straddling a line between that of a “worker” entitled to freedom of movement and social policy measures and that of an “enterprise” subject to the competition law outlined in Article 101 TFEU. This duality poses challenges to extending social rights to self-employed individuals. To address this, it may be necessary to overcome the inherent conflicts between labour law and competition law in order to ensure continuative protection for various forms of work, including self-employment under both legal frameworks (see Lianos, Countouris & De Stefano, 2019).

EU institutions have taken steps to ensure equal treatment for self-employed individuals, specifically addressing gender-related issues. The 2010 Directive on

the application of equal treatment between men and women⁶ targets also self-employed activities. This directive facilitates equal access to maternity leave for self-employed female workers, aligning their entitlements with those of salaried workers. It also extends social protection systems to assist spouses who were formerly self-employed.

In a recent ruling by the EU Court of Justice (Judgment C 356/21, J.K. v. TP S.A.)⁷ it was stated that Directive 2000/78 on equal treatment in employment and occupation⁸ also applies to self-employed.

After that AG Capeta in his opinion stated that, as highlighted by many academics, “self-employment is often used as a residual category” and “a person who works is either employed or self-employed” (point 40), the Court clarifies that the directive does not refer to the law of the Member States in order to define the concept of conditions for access to employment or self-employment, therefore the principle of equality implies the need for uniform application of EU law. The notion of self-employment must not be interpreted having in mind the law of the Member States in applying the directive.

Furthermore, the directive, as the court explains, is not an act of secondary legislation. It is, instead, an act that “seeks to eliminate, on grounds relating to social and public interest, all discriminatory obstacles to access to livelihoods and to the capacity to contribute to society through work, irrespective of the legal form in which it is provided” (point 43). To this purpose, the directive covers “a wide range of occupational activities, including those carried out by self-employed workers in order to earn their livelihood” except “those consisting of the mere provision of goods or services to one or more recipients, and which do not fall within that scope” (point 44).

Besides, unlike Article 3(1)(a) of that directive, Article 3(1)(c) does not expressly refer to ‘self-employment’, but relates only to ‘employment’ and ‘working’ conditions, it is evident from the goal of the directive that all kind of workers shall be protected as the ambition is to eradicate all discriminatory obstacles. It follows that (point 55) “the protection conferred by Directive 2000/78 cannot depend on the formal categorisation of an employment relationship under national law or on the choice made at the time of the appointment of the person concerned between one type of contract and another”.

Scholars argued that the Court gave prominence to the worker itself, and therefore the notion of “personal employment” (Countouris, Freedland, De Stefano, 2023), regardless of the legal categorization of the employment relationship (employee or autonomous worker). This demonstrates that the Court seeks to expand protection beyond employment (Supiot, 2001). The notion of personal employment is also used by the European institutions in the current initiatives for platform work regulation and for the collective bargaining of personal self-employment (Perulli, 2024).

⁶ 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*, available at europa.eu.

⁷ Judgment of the Court (Second Chamber) of 12 January 2023, J.K. v TP S.A., Case C-356/21, ECLI:EU:C:2023:9, available at europa.eu.

⁸ Council Directive 2000/78/EC of 27 November 2000 *establishing a general framework for equal treatment in employment and occupation*, available at europa.eu.

These developments in legislation and Court reasoning represent a stride toward the recognition of social rights for the self-employed.

Revitalizing the prospect of a comprehensive social protection system for all forms of work, grounded in universality, integrating public intervention and private autonomy, and incorporating a multi-level institutional perspective, is essential. This involves collaboration between the EU institutions and the Member States, upholding social subsidiarity by involving mutualist associations representing diverse sectors of self-employed workers. It also ultimately aspires to shape a fairer, more functional, and effective European social model with the expectation of creating a more inclusive model of transnational solidarity (Nato, 2021, 35).

In this transformative process, the social partners involved in self-organization and representation of self-employed workers play a pivotal role.

Addressing the formidable challenge of envisioning and constructing a multi-level European system of social protection necessitates not only relying on public resources but also leveraging the resources and expertise of social partners and the network of professional organizations. Much like the origins of state social protection systems for employees, where unions and mutual cooperation set the initial tools for social protection and promotion, a similar collaborative effort is needed for the self-employed workforce.

2.3. Self-Employed Between Traditional Liberal Professions and the Emergence of the new Professional Self-Employed

To understand the possible avenues for an effective and harmonized system of social protection for PSEs, it is important to be aware of the inherent fragmentation and diversity that exists within this category. This diversity is explainable by turning our attention to the dynamics of both the forms of work and social policies in Europe, from the origins of the European Communities to the present day.

In the second half of the twentieth century, in European Welfare States emerged from the industrial society, the history of labour law and social security institutions has been characterized by a dichotomy between “employees” and “self-employed workers”. On the one hand, salaried workers (wage-earners) were included in social security schemes as a consequence of their employment subordination. On the other hand, self-employed workers bore the economic and social risks associated with their professional endeavours and were not eligible for social assistance (Supiot, 2000).

In reality, self-employment labour was characterized by an irreconcilable variety of legal regimes and professional statutes (Lyon-Caen, 1990). Various professions were submitted to different regulations based on the content of the service offered and the link with professional associations, such as the traditional “liberal” professions memberships.

The emergence of the European knowledge-based service economy marks the onset of a “New Great Transformation” within cognitive capitalism, as defined by Moulner-Boutang in 2007. This transformation is characterized by novel modes of enterprise and self-employment. Within the framework of the network society in the “Information Age” (Castells, 1996; 2000) and the digital revolution, significant shifts unfold, instigating transformations in conventional professions

and paving the way for the emergence of contemporary roles, notably the "new" self-employed workers (Westerveld, 2012).

This brings along an increasing need for professionalism, knowledge, and personal commitment in self-employment, thus becoming more and more an enterprise of one's own, a self-enterprise, matching the post-modern capitalist rhetoric of "self-entrepreneurship" (Perulli, 2022).

In 1999, the *Supiot Report* (European Commission, 1999, 3; Supiot, 2001) described a "new group" of self-employed workers in the services sector as having emerged in various EU Member States. They added value and quality to the working methods and enhanced, in general, the development of the European socio-economic system.

These are forms of self-employment typical of the post-Fordist era, which respond to "the needs of the most advanced economic sectors" in European society (European Commission, 1999, 3 ff.). It is about promoting and supporting the creativity and professionalism of these people who carry out the work, in an autonomous and flexible professional manner in terms of times, places, type of service and costs, for guaranteeing social protection beyond employment.

Since the beginning of the 21st century, these emerging professionals, characterized as self-employed individuals in various roles, have played a pivotal role in what has been described as "the rise of the European self-employed workforce" (Bologna, 2018; Addabbo, Ales, Curzi, Fabbri, Rymkevich & Senatori, 2022) within the evolving labour landscape. Furthermore, "second generation" self-employment played a leading role in the refusal to participate in the discipline of salaried society (Bologna & Fumagalli, 1997) while autonomous work became central in the flexible post-Fordism system of production of knowledge economy/society.

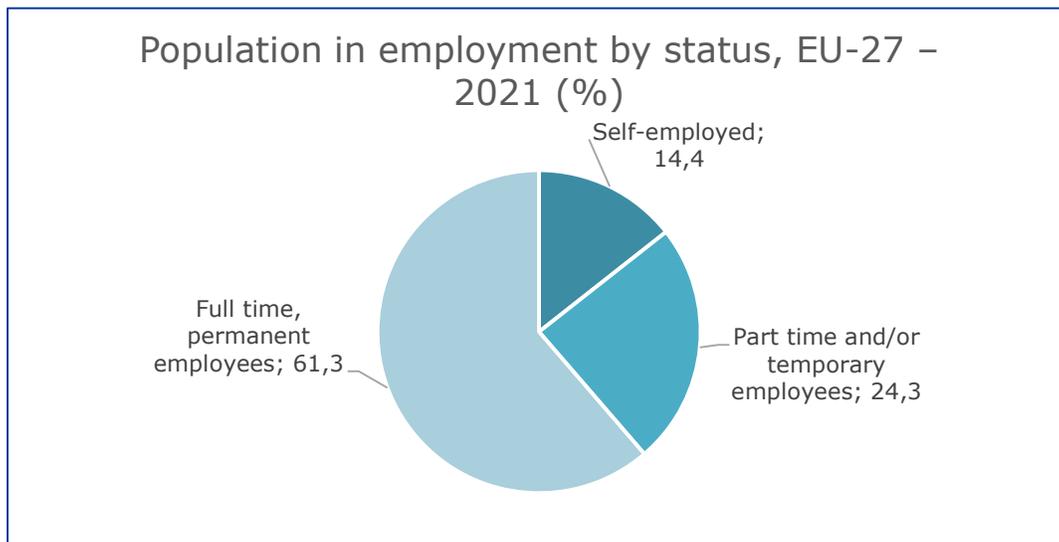


Figure 2. Source: Report from the Commission to the Council on the Implementation of the Council Recommendation on Access to Social Protection for Workers and the Self-Employed, COM/2023/43. Eurostat, Labour Force Survey data.

Second-generation professionals are characterized by a certain adaptability and high specialization. The increase in PSEs is the result of various interconnected factors, including the pursuit of independent work and autonomy in time organization, shifts in production systems, business restructuring, and the digitalization of labour within the platform economy. Despite possessing advanced skills, actively engaging in lifelong learning processes, and adapting to new digital technologies, “new” self-employed individuals still contend with limited social security safeguards.

2.4. Heterogeneity of PSE Workers and Their Need for Comprehensive Adequate Social Protection

EU labour markets are composed by a substantive amount of self-employed workers in non-standard positions regulated under atypical contracts. Often, they combine dependent and self-employment or transition between these statuses (European Commission, 2023). According to different data from 2021, self-employed workers in the EU constituted approximately 13.1% (Cedefop⁹) or 14.4% (European Commission, 2023) of the overall workforce (Fig. 2). Although the nature of freelance work escapes from statistics, due to its inherent polymorphism, data underscores the necessity for tailored strategies to meet their specific needs.

For instance, during a crisis that affects income, causing a decline in earnings, self-employed professionals often cease working. They are compelled to exit the job market due to the lack of social protection. In contrast, employed workers may go on temporary layoff and then, once the crisis subsides, return to their jobs. The stable presence of employed workers in statistics contrasts with the variable presence of self-employed individuals.



Figure 3. Source: EU LFS Cedefop, available at: europa.eu.

⁹ Source: EU LFS Cedefop, available at: europa.eu.

Based on data extracted from the European Labour Force Survey (EU LFS) conducted by Cedefop, utilizing Eurostat data (2021), the category itself is inherently diverse. Notably, farmers and related workers dominate, constituting the highest percentage at 63%, while clerks represent the smallest proportion at 1.8%. Following closely are associate professionals at 10.5% and professionals at 13.7% (see Fig. 3). A more detailed analysis of employment within specific sectors of self-employment unveils a significant presence of legal and social professionals, office professionals, researchers and engineers, and associate professionals (see Fig. 4).

This underscores the significance of the new self-employed. They are PSE in knowledge work, teaching, researching, publishing, advertising and communication and they are professionals in the field of research and human health, then in legal, economic, social, political and financial consulting. In this sense, to update the classification on I-Pros from Rapelli (2012), we link our definition of PSE to these categories of the European knowledge-based service economy in the advanced tertiary sector (Borghini, Mori & Semenza, 2018), from Statistical classification of economic activities in European Union (NACE Revision 2)¹⁰: publishing, broadcasting and content production and distribution activities (section J); telecommunication, computer programming, consulting, computing infrastructure and other information service activities (section K); financial and insurance activities (section L); real estate activities (section M); professional, scientific and technical activities (section N); administrative and support service activities (section O); public administration and defence; compulsory social security education (section P); education (section Q); human health and social work activities (section R); arts, sports and recreation (section S); other service activities (section T).

Recognizing the multifaceted nature of professional self-employment, we can conclude that PSEs encompass a diverse array of production contexts and income brackets. These factors undergo fluctuations based on elements such as age, gender, geographical location, and the organizational structure of economic activities, spanning from individual endeavours to intricate organizational setups (Burrati, 2022).

Against this backdrop, the following research aims to delve into the social protection requirements of PSE, contributing to the imperative extension of social rights for all autonomous and independent workers and freelancers. This focus is essential considering that professional and independent self-employment is a prominent social phenomenon in the European labour market and knowledge society. According to Eurofound (2017) this category, characterized by its heterogeneity, encompasses more than 20% of individuals categorized as “vulnerable” and “concealed” PSE and encounter suboptimal social protection conditions.

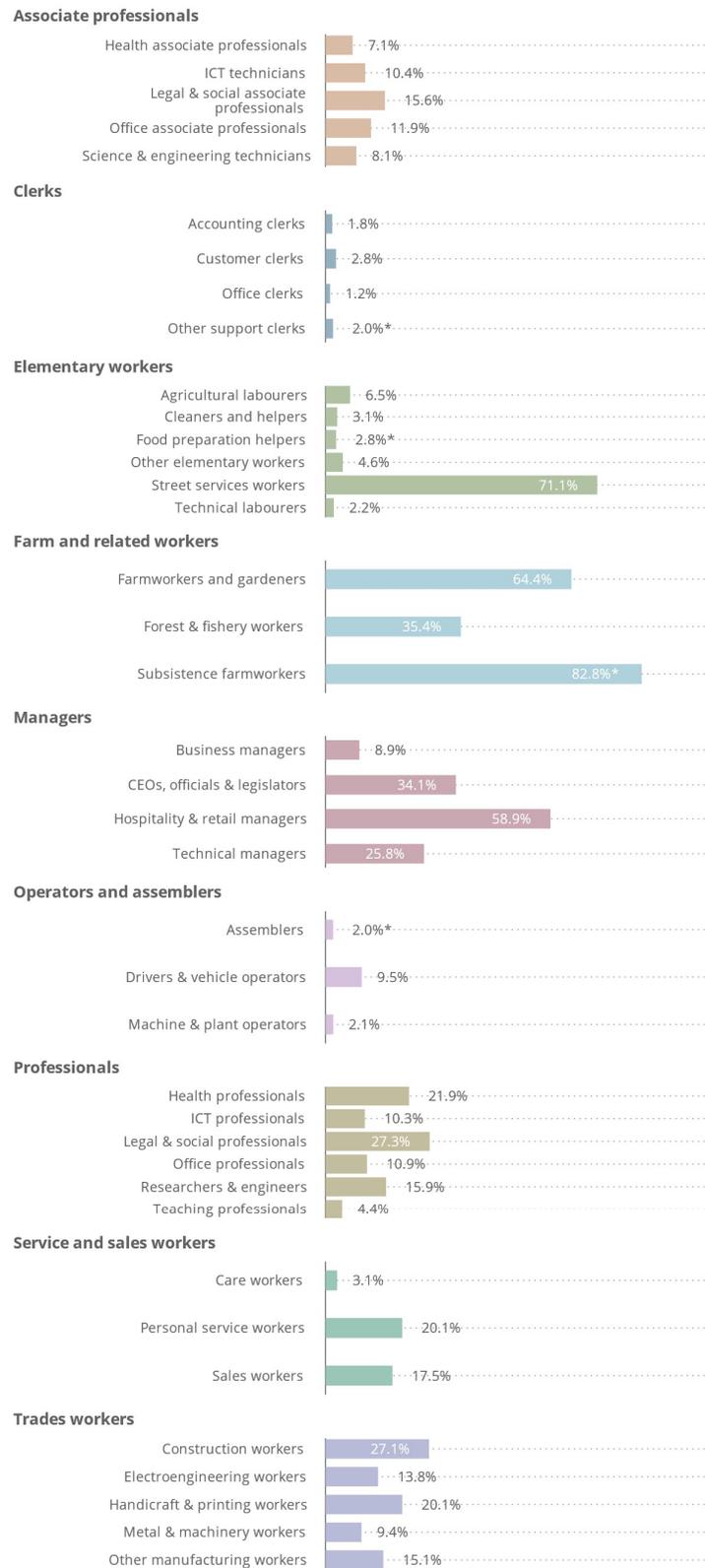
This category has been steadily transforming in recent times, facing the development of platform-based work in digital capitalism and the consequences of the application of artificial intelligence in cognitive and knowledge work.

Furthermore, the enduring effects of the post-CoViD-19 crisis accentuate the

¹⁰ Commission Delegated Regulation (EU) 2023/137 of 10 October 2022 amending Regulation (EC) No 1893/2006 of the European Parliament and of the Council establishing the statistical classification of economic activities NACE Revision 2 (Text with EEA relevance), available at europa.eu.

challenges faced by this group, particularly as the International Labour Organization (ILO) notes, “self-employed workers that were previously already vulnerable, are particularly affected by the socio-economic impacts of the virus” (ILO, 2021).

The EU institutions are aware of this fragile condition of the new and more traditional forms of PSE. Consequently, they are actively endorsing the pursuit of equitable access to social protection measures for self-employed workers.



CEDEFOP

Figure 4. Self-employment in the EU in 2021 (detailed occupations). Source: EU LFS Cedefop, available at: europa.eu.

3. Social Protection: An Operational Definition

The concept of social protection is historically linked to the societal effects of the Industrial Revolution and the new role played by the state, especially after the advent of universal suffrage. The new Welfare State is asked to intervene in the market economy and to protect and positively ensure the well-being of citizens.

However, the Welfare State struggles to affirm in the context of the liberal constitutions of the 19th century, while it can emerge with the 20th century democratic and social constitutions.

It is therefore not surprising that state action in social protection is multifaceted, based on the historical peculiarities, the changing power of the political parties in the various states, and also the different interpretations of the constitutional principles of freedom and equality that have permeated constitutional legal systems since the French Revolution.

Against such a diverse context, the process of European integration brought along the need to achieve uniformity, following the idea that the establishment of the common market should involve minimum standards towards the harmonization of social protection, especially targeting migrant workers in the Community.

The clash between age-old dynamics and the emergence of new circumstances is the root cause of the difficulties in finding an unambiguous definition of social protection, therefore context-based approaches need to be reconciled. While acknowledging that differences from country to country may occur, we will try to unpack the various meanings of social protection to design an operational definition with the purpose of this study, bearing in mind, however, that differences remain among scholars and international agencies.

A broad definition is the one used within the framework of the International Labour Organization. Social protection is described as “a human right” involving a “set of policies and programmes designed to reduce and prevent poverty and vulnerability throughout the life cycle” (ILO, 2017). In the different legal traditions, a distinction has also been established between “social assistance” (or “social protection” in the strict sense), which fulfils the generic function of protecting the needy, extended to all citizens in case of need; and “social security”, which fulfils the specific function of protecting workers (WIEGO, 2021). “Social protection”, in the general sense, thus appears to be the term that encompasses both categories of benefits. Other international organizations, such as ISSA, employ these terms in a contrasting manner. Additional viewpoints draw a distinction between social protection, viewed from the perspective of the individual (as a human and worker's right), and social security from the standpoint of state protection. However, these distinctions do not necessarily result in practical differences (WIEGO, 2021).

However, under the workers' perspective, adopted by the present work, we will use the two terms interchangeably (ILO, 2012, 2022; WIEGO, 2021).

Conversely, the approach followed by the European legislator in defining social protection (since Article 2 of Regulation No. 3/1958) has not been that of defining a theoretical concept applicable to the different cases in the member states,

but rather the identification of a set of benefits that fall within the scope of social protection as a whole.

It should be noted that this approach, in the EU law, is complemented by other legal instruments, such as the European Pillar of Social Rights (Chapter III), providing specific legal qualifications — as a subjective right — to some of these benefits, in order to determine a common base and a minimum of protection in the member states (e.g. access to social protection, long-term care, minimum income, and old age income and pensions).

In particular, the Regulation (CE) No. 883/2004, Article 3 (as amended) covers:

1. Sickness benefits;
2. Maternity and equivalent paternity benefits;
3. Invalidity benefits;
4. Old-age benefits;
5. Survivors' benefits;
6. Benefits in respect of accidents at work and occupational diseases;
7. Death grants;
8. Unemployment benefits;
9. Pre-retirement benefits;
10. Family benefits.

It should be noted that social and medical assistance is expressly excluded by the Regulation (Art. 3.5). This benefit is considered included by social protection models but often falls under specific regulations.

This highlights that, despite the use of definitions and sectoral delimitations being operationally useful, the terms used in the EU legal order do not mirror the specificities of each Member State's jurisdiction.

This is why we must confront with an approach that is useful, from the point of view of analysis and research, to determine a comparison between the various social protection systems in Europe, so as to eliminate the difficulties of applying a theoretical-based definition to the diversity of state systems. On the other hand, simply referring to the legal definition in EU law risks overlooking important aspects of social protection.

It is, therefore, necessary to adopt a sector-based approach independently from the constraints of a specific regulation, allowing the research to be freely developed but keeping, at the same time, a certain degree of uniformity.

This is consistent with the methodology adopted by the European Mutual Information System on Social Protection (MISSOC). The system, functioning through the input of the European Commission and on the basis of the rules of EU law, has since its inception favoured a broader autonomous interpretation of the benefit categories to be included in the concept of social protection (MISSOC, 1997).

Accordingly, this survey will work on eleven identified kinds of benefits:

1. Health care;
2. Sickness cash benefits;
3. Maternity/paternity;
4. Invalidity;
5. Old-age;
6. Survivors;

7. Accidents at work and occupational diseases;
8. Family benefits;
9. Unemployment;
10. Guaranteed minimum resources;
11. Long-term care.

As can be seen, the services covered by the MISSOC follow those of the Regulation, although they deviate from it in some categories (e.g. in the inclusion of health care).

For this research, therefore, in order to ensure greater and easier comparability of data, we decided to follow the matter-based approach, as developed by MISSOC, while reserving the possibility to depart from it, should we deem it necessary.

This approach refrains from making assumptions about the legal categorization of these benefits, such as whether they qualify as subjective rights, or their nature and source, be it private or public. The aim is to ensure a broad and inclusive application across various situations in Member States.

3.1. Additional Definitions Related to Social Protection

Social protection has developed in different forms according to several protection schemes, which follow specific principles and rules. Some common additional definitions, used in the country reports, can be found below:

Universal (or residence-based) scheme: protection is provided for all citizens (or for all residents), regardless of whether they are working or their level of income. *Universal* can also refer to all categories of workers (both employed and self-employed).

Work-based scheme: protection is provided by a system that only provides benefits to workers.

Insurance-based scheme: benefits are financed from contributions of the subjects.

Non-contributory schemes: benefits are primarily financed through general taxation.

Contribution basis: the basis on which the payments to be made are calculated, is usually equal to income or part of it, or may be standard (set by law).

Contribution rate: percentage applicable to the basis for calculating the amount of the contribution.

3.2. Overall Considerations

It should be noted that the definition of social protection drawn up by the European Union is part of a project aimed at the strengthening of the EU's commitment to this issue, marking a clear change from the past. In this sense, the correct balancing of the definition, neither too general and therefore hardly binding in prospect, nor too specific and therefore easily circumvented, appears to underpin the success of the Union's action, starting with Council Recommendation on Access to social protection for workers and the self-employed.

4. Historical Evolution of European Welfare Models and EU Social Policies: Understanding the Diversity in Social Protection

4.1. Introductory Remarks

The adoption of the Council Recommendation on Access to social protection for workers and the self-employed (2019/C 387/01)¹¹ is part of a slow and challenging process of evolution of the EU social policies. In January 2023, the Commission released a Report to the Council on the implementation of the Recommendation on access to social protection¹² highlighting that, in 2021, nearly 40% of the employed population in the EU, equivalent to approximately 77 million people, were engaged in non-standard forms of employment, including temporary contracts, part-time work, and/or self-employment.

As stated by the Commission, many of these workers face large gaps in social protection coverage. It is, therefore, necessary to extend social protection for self-employed workers and individuals in non-standard working conditions. This extension is crucial to guarantee adequate and universal standards of social policies across all EU Member States, with a particular emphasis on the Eurozone. Such a commitment aligns with the overarching vision of a European Social Union for the 2020s.

From the early stages of European integration, the social dimension of European policies is envisioned to reinforce and complement the endeavours of individual Member States in attaining robust social protection objectives. As a result, interventions in social policy aim to rectify any imbalances stemming from common market integration, striving towards the realization of an inclusive, solidarity-driven, and effective European Social Model (ESM). This model, dedicated to enhancing the quality of life and working conditions for all European citizens, underscores the importance of a harmonized and collective approach to social protection within the European Union.

4.2. From Post-War Integration to the European Social Fund Plus

During World War Two, in the fight against Nazi-fascism, the pursuit of a social solidarity ran parallel to the vision of a united and federated Europe. The envisaged Europe was seen as a continental political space liberated from the shackles of the European civil war and the oppressive grip of authoritarian States. The Ventotene Manifesto (1941), written by an anti-fascist collective confined to the island of Ventotene and animated by Eugenio Colomi, Ernesto Rossi, Altiero Spinelli, Ursula Hirschmann and Ada Rossi, outlined the necessity of establishing

¹¹ Council Recommendation of 8 November 2019 *on access to social protection for workers and the self-employed* (2019/C 387/0), available at europa.eu.

¹² 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), available at europa.eu.

new solidaristic instruments to mechanisms to shield individuals from the spectre of poverty – a genuine *Ius Existentiae*. It advocated the cause of enabling the free self-determination of each person, also allowing for autonomous choices in each own's work, whether as employees or self-employed workers.

“Human solidarity towards those who succumb in the economic struggle must not, therefore, take on the humiliating form of charity that produces the very same evils it seeks to erase”, emphasized the Ventotene Manifesto. Instead, it should “consist in a series of measures which unconditionally, and regardless a whether a person is able to work or not, guarantee a decent standard of living for all, without lessening the stimulus to work and save. In this way, no-one will be forced any longer to accept enslaving work contracts because of their poverty”. (Spinelli & Rossi, 1941, 36-37).

This radical vision of a federal and solidaristic continental Europe aimed for a social Europe that transcended jealousies and conflicts between nation-states. While this vision didn't fully materialize in subsequent decades, the perspective of a pacified continent was rooted in the pursuit of “de facto solidarity”, as advocated in the famous Schuman Declaration from 9 May 1950. This other document marked the beginning of continental integration for the Six Founder Member States, with the European Coal and Steel Community designed to pacify the longstanding conflict between France and Germany.

“Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity”, expressed the Schuman Declaration. “The coming together of the nations of Europe requires the elimination of the age-old opposition of France and Germany. Any action taken must, in the first place, concern these two countries”.

As European integration progressed, it evolved into a common and single market with the establishment of the European Economic Community (EEC) through the Treaty of Rome (1957). This union aimed to ensure economic well-being and social cohesion for all citizens of the Member States. The social perspective of European policies sought to support, integrate, and strengthen the efforts of Member States in achieving social protection objectives through their national welfare models.

The social dimension of European policies commenced with the establishment of the European Social Fund (ESF) as part of the 1957 Treaty, a key instrument for promoting employment and economic and social inclusion. Notably, the ESF serves now as the European Union's principal tool for supporting workers and individuals seeking employment. It actively promotes initiatives to combat and reduce unemployment, broaden training opportunities, and enhance the overall functioning of the labour market. Consequently, it has evolved into Europe's primary instrument for fostering job creation, facilitating improved employment prospects, and ensuring equitable job opportunities for all EU citizens.

In 2020, the ESF becomes the European Social Fund Plus (ESF+). With a budget of 99.3 billion euros allocated for the period 2021–2027, it now functions as a critical mechanism for providing top-up payments to fund social projects in member states. This allocation extends beyond traditional employment initiatives, encompassing the implementation of the European Pillar of Social Rights (EPSR, 2017, details below). The overarching goal is to augment social protection measures, specifically addressing the needs of self-employed individuals.

4.3. Mapping Welfare Systems from a European Perspective

The Danish social and political scientist Esping-Andersen, in his landmark comparative analysis of European welfare systems from 1990, classifies welfare capitalism models into three distinct typologies, based on their approaches to social policy and the provision of social benefits and services in favour to their citizens.

The first one concerns liberal Welfare States, such as the UK (which corresponds to the Beveridgean model) and Ireland, they emphasize market mechanisms and rely heavily on income-based social assistance. Social benefits are often targeted to those in need and the level of decommodification (reduction of market dependency for income) is relatively low. Thus, services are often provided by a mix of public and private entities. Emphasis is placed on means-tested social assistance programs, and private market mechanisms play a significant role in the provision of services, from a Welfare to work perspective, with active labour market policies for reintegration into the workforce, to improve individual empowerment.

The second model is the Conservative (Corporatist, or Bismarckian) Welfare States, exemplified by countries of Continental Europe, like Germany and France, which are characterized by a strong role for traditional family structures and partnerships between the state, corporations and unions, as institutional partnerships. Social benefits are often tied to employment status, with insurance-based mechanisms of protecting traditional salaried workers (male workers and heads of families and their families) in relation to their former wage levels and contribution records. There is a greater emphasis on maintaining traditional gender roles and family-based support systems are emphasized.

A third model is represented by Social-democratic Welfare States, found in Nordic European countries, such as Sweden and Denmark, which focus on universalism, and prioritize universal social rights and public services, under a perspective of statist egalitarianism. These states have high levels of decommodification, aiming to provide broad-based social protections, universal access to services, and income redistribution.

The South European/Mediterranean Welfare State (paradigmatic in Greece, Italy, Portugal, and Spain) shall be added to the classification. Although characterized by a fragmented and diversified nature, it shares some common characteristics and trends. In this model, welfare benefits are often selective, targeting specific groups like low-income families, the elderly, and individuals with disabilities. The family and family networks play a crucial role in providing income, social support, and caregiving, creating a familialistic welfare system. Additionally, the presence of an informal economy, including informal labour markets, has significant implications for social protection, particularly for workers in non-standard conditions of work, such as intermittent, precarious, and self-employed individuals who lack access to official general social security systems.

This diversity of welfare models, reflective of European social history and encapsulated in the European Union's motto "*In Varietate Concordia*" contributes to shaping a common idea of a European Social Model. This model is founded on shared principles, including social inclusion, social protection, universal access

to essential services like healthcare and education, social dialogue between unions, companies, and public institutions, and the promotion of work-life balance and decent living standards. This pursuit entails finding a balance between market forces and social welfare, as well as mastering the interplay between European economic integration and the institutions of the welfare state.

In this context, compared to the majority of traditional wage workers integrated into Welfare State systems, the role of self-employed workers has often been characterized as occupying a hybrid position, straddling non-standard forms of work and self-entrepreneurship (Murgia & Pulignano, 2021). Consequently, self-employed individuals are marginalized by traditional social protection systems. In Nordic countries with a social democratic welfare system, the approach is universalist, encompassing self-employed individuals under the same generous conditions as traditional workers. A similar, though partial, inclusion exists in Ireland's liberal social system, where services and benefits are often income-based and focused on the lowest incomes, including those of self-employed workers. In Bismarckian-Corporatist States like France and Germany, as well as in categorial-sectorial welfare systems like Italy, self-employed workers organize through professional guilds, associations, and corporations to represent, support, and negotiate their interests in dialogue with public and private institutions.

4.4. The Evolution of European Social Policies

Amidst the oil and economic crisis of the early 1970s and the onset of globalization, state welfare systems also faced a crisis. The implementation of restrictive economic and monetary policies, coupled with the process of European integration, struck a delicate balance between economic functionalism and intergovernmental conflicts, leading to the erosion of national social protection systems.

During this period, social policy instruments started finding a place within European institutions through the planning of funds and structural interventions. The initiation of the Community's first Social Action Programme in 1974 aimed at three primary social objectives: achieving full and improved employment, enhancing living and working conditions, and fostering increased participation of management and labour in the economic and social decisions of the Community and workers in companies.

The subsequent "Social Charter" in 1989 and the establishment of the "Social Dimension" within the European Social Model (ESM) during the '80s and '90s marked significant milestones. These developments unfolded against the backdrop of deepening economic integration, EU expansion, and efforts to address social challenges, seeking to redress imbalances from the tightening economic and monetary integration of Member States. The emergence of the "European social dimension" aimed to reconcile the completion of the internal single market in 1992 with the initiation of the Economic and Monetary Union (EMU).

In 1988, Jacques Delors, President of the European Commission from 1985 to 1994, articulated three foundational points that underpinned the Social Dimension of the European Community:

1. Measures to complete the large market should not diminish the level of social protection achieved in Member States.

2. The internal market should benefit each and every citizen of the Community by improving living and working conditions and providing enhanced protection for health and safety at work.
3. The measures taken should address collective bargaining and legislation (Delors, 1988).

In 1989, the Community Charter of the Fundamental Social Rights of Workers, commonly known as the “Social Charter”, was adopted. This Charter advocated for the establishment of social rights for all workers across EU Member States, encompassing various domains such as the free movement of workers, employment and remuneration, working conditions improvement, social protection, freedom of association, collective bargaining, vocational training, equal treatment for men and women, information, consultation and worker participation, as well as health protection and safety at the workplace, and the safeguarding of children, adolescents, elderly persons, and disabled persons.

All these social rights matters since they have become the cornerstone of minimum provisions shared by all EU Member States. The Lisbon Treaty (Article 151 TFEU) and the Charter of Fundamental Rights of the European Union have upheld the provisions of the Charter.

In 1994, the Delors Commission took another significant step by adopting the White Paper on European Social Policy (European Commission, 1994). This document aimed to promote “social policy and social protection for an active society for all” and to preserve and develop the European Social Model. Grounded in common values such as democracy, individual rights, free collective bargaining, the market economy, equality of opportunity, and social welfare, these values were upheld by the Community Charter of the Fundamental Social Rights of Workers. The White Paper envisioned balancing competitiveness and solidarity to build a successful Europe for the future.

During the 1980s and 1990s, macroeconomic convergence processes required by the European unification and globalization policies brought by the global free market led to a reduction of public investments in social policies. This period witnessed the privatization of public services, impacting the inclusion and social protection of citizens. European integration grappled with economic and budgetary constraints imposed on member states, creating a tension between economic growth and social inclusion.

The 1986 Single European Act (SEA) marked a significant development by emphasizing social policy coordination among Member States. The institutionalized “European Social Dialogue” between trade unions and employers’ associations at the supranational level was introduced, promoting dialogue between management and labour at the European level.

According to the revised Article 118 B, SEA, “the Commission shall endeavour to develop the dialogue between management and labour at European level which could, if the two sides consider it desirable, lead to relations based on agreement”. The European Social Dialogue enhanced by the “Social Chapter”, officially *The Agreement on Social Policy* of 2 February 1992, was annexed to the *Protocol on Social Policy* of the Maastricht Treaty (1992), defining an institutionally recognised role for the social partners in the EU legislative process in the areas of social policy. Furthermore, it obliged the Commission to consult private social partners

before adopting measures in the field of social policies and gave them the possibility of concluding their agreements. Today, Article 154.1 TFEU spells out that “The Commission shall have the task of promoting the consultation of management and labour at Union level and shall take any relevant measure to facilitate their dialogue by ensuring balanced support for the parties”.

The European Employment Strategy (EES), introduced in the late ‘90s, aimed to coordinate national employment policies among EU Member States. It established common objectives and guidelines to promote employment, reduce unemployment, and enhance labour market flexibility while maintaining social protection.

The Open Method of Coordination (OMC), launched in 1994 with EES, became a key soft law tool for coordinating social policies among EU Member States. Formalised by the Lisbon Strategy in 2000, it aimed at promoting a new “social inclusion process” against poverty (Ferrera, Matsaganis & Sacchi, 2002). It is a soft governance method used to disseminate best practices and achieve convergence towards EU objectives in social policy areas that fall partly or fully within the competence of the Member States. To this end, it relies on programs to be transposed into national reform plans that are monitored by the Commission and the Council.

The Lisbon Strategy, launched in 2000, set ambitious goals for the EU to “become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion” (CEU, 2000). It emphasized economic growth, employment, education, the knowledge economy, and social inclusion. The strategy highlighted the need to balance economic competitiveness with social cohesion in response to the challenges posed by globalization and liberalization processes.

The crisis of the European social model was exacerbated by the Eastern enlargement of the European Union from 2004 to 2007. The inclusion of countries from the former Soviet bloc, undergoing liberalization processes, posed challenges to the established European social model. This expansion raised concerns as these new member states appeared to deviate from the European social model, which had garnered a considerable level of popularity among citizens seeking enhanced economic and social well-being.

Subsequently, the Treaty of Lisbon, entering into force on 1 December 2009, explicitly included that the EU “shall combat social exclusion and discrimination, and shall promote social justice and protection” and “it shall promote economic, social and territorial cohesion, and solidarity among Member States” (Article 3.3 TEU).

Additionally, the Treaty of Lisbon provided a legal basis for the Charter of Fundamental Rights of the European Union, which includes a section on solidarity. In particular, Article 34 concerns “social security and social assistance”, whereby the EU “recognises and respects the entitlement to social security benefits and social services protecting in cases such as maternity, illness, industrial accidents, dependency or old age, and in the case of loss of employment, following the rules laid down by Union law and national laws and practices. Everyone residing and moving legally within the European Union is entitled to social security benefits and social advantages under Union law and national laws and practices”.

In 2010, building on the Lisbon Strategy, the Europe 2020 Strategy set targets for “smart, sustainable, and inclusive growth”. However, due to the onset of the Great Recession (post-2008 global crisis) and the sovereign debt crisis (2010-2014), the social objectives of the Europe 2020 Strategy were hard to meet. The economic and monetary crisis hindered the achievement of social goals, leading to an increased risk of poverty or social exclusion (Hacker, 2023, 81).

4.5. The Polycrisis Era: Challenges and Reforms in the European Social Model

Starting with the global economic and financial crisis of 2007-2008, followed by the Great Recession and the sovereign debts crisis from 2010 to 2014, the EU, particularly the Eurozone, with some of its Member States belonging to the Southern/Mediterranean welfare model (Greece, Italy, Portugal and Spain – “GIPS States”), witnessed a profound political, economic and social crisis. This turmoil was largely fuelled by a counterproductive response from EU Institutions, marked by macroeconomic austerity and reduced spending on social protection and inclusion, thereby radically undermining the European Social Model in times of crisis (see, among many, Busch, Hermann, Hinrichs & Schulten, 2013 and Vaughan-Whitehead, 2015).

Many EU law scholars went as far as proclaiming “the end” or “the death of social Europe” (Ewing, 2015) when the European Semester was introduced in 2010. This framework aimed to enhance the coordination of economic policies of the EU member states and strengthen the governance of the Economic and Monetary Union. Unfortunately, since the inception, social policy goals have been either completely removed or overshadowed by economic and austerity policies (Graziano & Hartlapp, 2019).

It was only, between 2012 and 2016 that a “partial but progressive socialization of the Semester occurred” (Zeitlin & Vanhercke, 2018). Its social dimension underwent significant revitalization between 2015-2020, addressing issues such as employment, social protection, and poverty reduction. This “allow[ed] for greater involvement of the European Parliament, national parliaments and stakeholders in the discussion of the economic and social policy measures to be considered in the national budgets” (Panaro, Shahini & Jessoula 2022, 15). The European Union, however, remains caught between austerity and collective solidarity (Hacker, 2023, 81 ff.), consistently striving for an improved method to balance fundamental social and economic rights in the EU (Garben, 2020) reflected on the European “polycrisis”. In 2016, the President of the EU Commission, Jean-Claude Juncker, acknowledged the “polycrisis” due to many contemporary challenges creating a sense of insecurity in the society¹³.

Renowned scholars, including Claus Offe, a prominent figure in critical theory and a disciple of Niklas Luhmann, described the situation as “Europe En-trapped” due to cumulative crises, or else the “permacrisis” of the financial market, sovereign debt, private indebtedness and the EU’s democratic and social deficit (Offe, 2015), later joined by the covid-19 pandemic and the Russian invasion of Ukraine, as well as the long-lasting climate and environmental crisis

¹³ Speech by President Jean-Claude Juncker at the Annual General Meeting of the Hellenic Federation of Enterprises – SEV, 21 June 2016, available at europa.eu.

(Vanhercke, Sabato, & Spasova, 2022). Consequently, the EU institutions, including the Juncker Commission, have been working to redress the EU's economic and social situation. President Juncker envisioned that the EU achieve a "Social Triple A", as stated in his 22 October 2014 speech before the European Parliament (Juncker, 2014).

4.5.1. The 2017 European Pillar of Social Rights and the Right to Adequate Social Protection for All Workers

In April 2017, the Juncker Commission presented the European Pillar of Social Rights (EPSR) to promote greater convergence in social protection and inclusion, as well as reinforce the social dimension of the European Union. EPSR "is designed as a compass for a renewed process of upward convergence towards better working and living conditions in Europe. It is primarily conceived for the Euro area but applicable to all EU Member States wishing to be part of it"¹⁴.

EPSR was jointly proclaimed by the European Parliament, the Council of the European Union, and the European Commission in Gothenburg (Sweden) during the Summit of 17 November 2017. The EPSR sets out twenty key principles and rights for a "strong social Europe that is fair, inclusive and full of opportunity in the 21st century"¹⁵. Such principles are structured under three categories: 1) equal opportunities and access to the labour market (1-4); 2) fair working conditions (5-10) and 3) social protection and inclusion (11-20).

The EPSR covers a broad range of topics, such as inclusive education, training and life-long learning, gender equality and equal opportunities, adequate minimum wages, social dialogue and involvement of workers, work-life balance, access to social protection and inclusion, unemployment and adequate minimum income benefits. The EPSR, despite formally being a soft-law declaration, it draws a new charter of European social rights. It is designed to serve as a reference framework for guiding and coordinating social policies across the EU. It emphasizes the importance of implementing these principles at both the EU and the national levels, feeding them into existing policies to reinforce the European social dimension, with fair working conditions, and equal opportunities as integral elements of a well-functioning European society.

Following the proclamation of the EPSR, the European Commission proposed various initiatives to implement the principles. Among them, new legislative proposals were tabled, such as the directives on adequate minimum wages¹⁶, on work-life balance¹⁷, on transparent and predictable work conditions¹⁸, to name a few. In 2019, the Von der Leyen Commission announced an "Action Plan to

¹⁴ Available at *europa.eu*.

¹⁵ Available at *europa.eu*.

¹⁶ Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union, PE/28/2022/REV/1, OJ L 275, 25.10.2022, p. 33–47, available at *europa.eu*.

¹⁷ Directive (EU) 2019/1152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions in the European Union, PE/43/2019/REV/1, OJ L 186, 11.7.2019, 105–121, available at *europa.eu*.

¹⁸ Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019 on work-life balance for parents and carers and repealing Council Directive 2010/18/EU, PE/20/2019/REV/1, OJ L 188, 12.7.2019, 79–93, available at *europa.eu*.

bring our Pillar of Social Rights to life” and a European Unemployment Benefit Reinsurance Scheme (hereinafter, SURE: see below) to “support our economies and our people in times of external shocks. Of course, there are national unemployment insurances but a reinsurance scheme for these heavy external shocks is needed in Europe” (Von der Leyen 2019). Therefore, the EU Commission and the EU-level actions can complement national actions, with the European Pillar of Social Rights Action Plan (European Commission, 2021), as a result of the Commission’s effort in the implementation of the “Social Pillar” principles. Besides, all EPSR goals can be achieved with a joint effort by EU institutions, national, regional and local authorities, social partners, and civil society.

The main tool established from the Pillar is the *Social Scoreboard*¹⁹, “a set of indicators created to monitor the advancement of the Pillar’s principles to be integrated and promoted within the European Semester” (Grossi, Brady, Rayner & Pedjasaar, 2022, 4).

4.5.2. From the EPSR to the 2023 Commission Report

The EPSR and the joint Action Plan represent a commitment to strengthening the social dimension of the EU and ensuring that economic policies are accompanied by social protections and social rights for all EU citizens engaged in work activities, including self-employed people or people in non-standard employment. Article 12 of the EPSR²⁰ is significant in the context of this analysis as it states the need to guarantee the right to adequate social protection for all workers, and, under comparable conditions, the self-employed, who often face an imbalance of bargaining power, income volatility and inadequate social protection and access to healthcare.

As seen in section 2, the rules and the institutions governing the right to social protection in Welfare States have traditionally been tailored to employed workers, under full-time, permanent and subordinate employment for a recognized employer (e.g., manufacturing industry and public service and administration). In some national social protection schemes, self-employed persons, or people with non-standard employment relationships, such as flexible, intermittent or precarious workers, may lack adequate social protection coverage.

Therefore, EPSR aims to recognize the principles of social protection also in favour of self-employed workers and non-standard workers, and the EU Council Recommendation on Access to social protection for workers and the self-employed²¹ is part of the EPSR implementation. Therefore, it covers social security for unemployment, sickness and healthcare, maternity or paternity, accidents at work and occupational diseases, disability and old age.

The 2019 Recommendation encourages EU Member States to allow non-standard workers and the self-employed to join social security schemes (filling gaps in formal coverage); and adopt measures that enable them to accumulate

¹⁹ *Social Scoreboard monitors Member States’ performance concerning the EPSR*, available at europa.eu.

²⁰ This is the content of Article 12 of EPSR, about social protection: “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”.

²¹ EU Council Recommendation on Access to social protection for workers and the self-employed (2019/C 387/01), available at europa.eu.

and enjoy adequate social security benefits as members of a scheme (effective and adequate coverage) and facilitate the transfer of social security benefits between schemes; increase the transparency of social security systems and entitlements.

The Member States are recommended to implement the principles of the Recommendation to extend social protection for the self-employed and for non-standard employed individuals and to submit a National Implementation Plan – (NIP) setting out the measures to be taken at the national level by 15 May 2021.

In January 2023, the Commission releases a Report to the Council on the implementation of the Recommendation (European Commission, 2023), indicating that, in 2022, in 19 Member States, self-employed workers are not covered by all branches of social protection and in the dozen member states reporting data around 15 million self-employed workers do not have access to unemployment benefits (European Commission 2023, 1). Therefore, the EU Commission observed as of December 2022 that all Member States, but Luxembourg, had submitted such a National Implementation Plan (NIP). The NIPs were debated by the EPSCO (Employment, Social Policy, Health and Consumer Affairs Council) Ministers in December 2021 as part of the European Semester and in May 2022 by the Social Protection Committee (SPC). European social partners' organizations were also specifically consulted in May 2022 (European Commission, 2023, 6). The EU Commission concludes its analysis by noting that the Council Recommendation “has given greater visibility to issues of coverage, adequacy and information on social protection for employed and self-employed workers” and contributes “adapting systems to ensure better access to social protection for all is a long-term process, involving social partners and other relevant national organizations” (European Commission, 2023, 28).

4.5.3. Emerging Tools for Mitigating Unemployment Risks in the Aftermath of COVID-19

In the 2023 Report, the EU Commission observed that the “Council Recommendation’s implementation period coincided with the pandemic. In 2020-21, policy attention was very much focused on emergency measures to address its social and economic consequences [...]. The emergency measures helped extend social protection to previously uncovered or partially covered groups, but mostly on a temporary basis. At the same time, the crisis also highlighted some deep structural gaps and the need to address these, but only some countries pursued structural reforms” (European Commission, 2023, 27).

Moreover, the EU Commission, in the European Pillar of Social Rights Action Plan, noted that the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE, Council Regulation (EU) 2020/672 of 19 May 2020) was used to protect European workers and citizens during Covid-19 pandemic crisis by financing short-time work schemes and similar measures, particularly for the self-employed persons. The pandemic prompted many Member States to extend social protection to previously underserved groups. The Commission suggested that these exceptional measures could serve as inspiration for structural reforms, aligning with the 2019 Council Recommendation on access to social protection (European Commission, 2021, 24).

The COVID-19 pandemic further underscored the need for social resilience and greater social protection for all citizens and workers of EU Member States.

The Next Generation EU recovery plan (along with the Recovery and Resilience Facility) incorporates social initiatives, reflecting an ongoing evolution in EU social policy toward a more inclusive and resilient framework. This evolution reflects the ongoing debate across Member States among European scholars on the balance between national competencies and common European actions in the social field to adapt to challenges such as globalization, demographic changes, economic and sanitary emergencies, and green and digital transitions.

The impact of the Covid-19 crisis on social protection for self-employed workers and those in non-standard working conditions, lacking access to social protection, was primarily addressed through ad hoc, temporary, and emergency measures. However, these measures did not hide the imperative to expand and promote a more inclusive social system within the European social dimension (Spasova, Ghailani, Sabato, Coster, Fronteddu & Vanhercke, 2021).

Over the past decade, starting from the 2008 financial crisis, analysts and scholars advocated for the need for a European Social Union (ESU) to complement the economic and monetary union (Vandenbroucke, 2013; Vandenbroucke, Barnard & De Baere, 2017; Ferrera, 2019), to overcome the limits of national welfare in the face of global challenges and the social risks of pandemics and ecological and digital transitions. This is a way to strengthen social cohesion among Member States and revitalize the European social model after the Covid-19 pandemic and in digital and ecological transitions, ensuring the protection and guarantee of fundamental social rights for European citizens, in a multi-level Welfare perspective, from local, regional and national level to a new ESU for Euro area and all EU Member States shall wishing to be part of it (Allegri, 2019).

It necessitates a serious commitment to and reinforcement of the initiatives on the European social dimension undertaken by European institutions over the last five years, marking the advent of “the roaring ‘20s for Social Europe” (Kilpatrick, 2023). It shares the common objective of putting principle 12 of the EPSR at the centre of the institutional agenda for a European Social Union and making universal access to adequate social protection the new unifying value of the European Social Model in the digital era.

Lastly, on 9 October 2023, to implement the EPSR the Council of the European Union approved its conclusions on the social protection for the self-employed (CEU, 2023). The Council invited all Member States to fill the existing legislative gaps in their national systems with the goal of improving access of self-employed workers to social protection.

Council conclusions recommend focusing on unemployment and sickness benefits, underlining that the Member States should also ensure an adequate level of protection for self-employed workers. This can guarantee a decent and dignified standard of living effectively preventing workplace poverty. In this regard, the proposal to prioritize social protection, especially for non-standard workers and the self-employed, by the Belgian presidency in the first semester of 2024 is deemed crucial.

The importance of European solidarity in reinforcing national responses through initiatives like the SURE program, the Recovery and Resilience Facility, and joint procurement of vaccines is underscored.

As Vandenbroucke (2023) puts it, “the pandemic also exposed structural

weaknesses in existing welfare states gaps in outdated social-protection arrangements which make them less inclusive than they should be. If Europe is to become a true ‘social union’ — a supportive environment for its welfare states, well-prepared for the cross-border health threats and emergencies to come — there is still a long way to go”.

5. Introduction to the Country Reports and Methodology

After having defined the theoretical framework of the present study, we now turn our attention to the current 27 EU Member States' social protection systems. This overview will allow us to conduct, in the second part of this research, a more focused analysis of the best practices that social parties have developed in the field of social protection of the self-employed.

The report is drafted taking into account the theoretical analysis from part one, this part will delve into the analysis and assessment of national social protection schemes for the self-employed in terms of regulatory structure. The main sources that will be used are the EU-funded MISSOC database jointly with other reports, like Eurofound (2017; 2019b; 2022). For further literature review, please refer to the bibliography section of this study.

MISSOC, the 'Mutual Information System on Social Protection', was established in 1990 to promote a continuous exchange of information on social protection among the EU Member States, growing into a central database for public authorities, professional users and European citizens. It contains a specific section dedicated to the social protection of the self-employed, regarding the different coverage and the ways in which the arrangements for the self-employed differ from those for employees. Information is updated on a biannual basis²².

MISSOC database provides evidence on social protection systems and their organization of the 27 Member states of the European Union, three European Economic Area countries (Iceland, Liechtenstein and Norway) as well as Switzerland and the UK (up to 1 July 2019). Each MISSOC comparative table is structured into 12 main chapters: a) General principles; b) Healthcare; c) Sickness cash benefits; d) Maternity/Paternity; e) Invalidity; f) Old age; g) Survivors; h) Accidents at work and occupational diseases; i) Family benefits; j) Unemployment; k) Guaranteed minimum resources benefits; l) Long-term care.

Nevertheless, in certain countries, the information recorded in the MISSOC tables may be incomplete or feature gaps on specific parameters.

In order to identify a social protection model fitting the needs of the self-employed, it is necessary to analyse the different schemes adopted in the Member states of the European Union.

For the purpose of the present study, the twelve MISSOC chapters will be clustered under the six branches of social protection as defined by the 2019 Recommendation on access to social protection²³. Its content holds significant relevance as it establishes key conditions for developing a social protection scheme for the self-employed. In the Recommendation, the EU embraced a policy of full integration of self-employed workers into existing universal social security frameworks. Nonetheless, achieving universal coverage for the self-employed remains a formidable challenge that requires concerted efforts from European institutions, national-level social security authorities, and both European and National

²² The data set we refer to is updated to the 1st January 2023.

²³ For further inquiry on Recommendation 2019/C 387/01, see Section 1 of the present study.

social partners.

The 27 country reports gather the main information concerning the six branches of social protection. They are structured as follows: first, a “*General Overview*” specifies whether the definition of self-employed workers and their social protection coverage is regulated by existing legislation and whether different types or “new forms” of self-employment are established. Then, we proceed with the “*Assessment of Social Protection Branches*”. Six categories of social protection are taken into account: a) Unemployment benefits and guaranteed minimum resources; b) Sick leave and healthcare benefits; c) Maternity and equivalent paternity benefits; d) Invalidity benefits; e) Old-age and survivors’ benefits; f) Benefits in respect of accidents at work and occupational diseases.

The analysis of each social protection branch focuses on the conditions of coverage (general or specific scheme); the source of financing (social contributions, general taxation, other public funding, or a mix of contributions and taxation); the conditions for access to benefits or services; the amounts and duration of the measures; the taxation and social contributions regime. Lastly, the “*Strengths and Vulnerabilities*” of each social protection system for the self-employed workers are highlighted, in order to identify the national best practices.

Even though the 2019 Recommendation addresses separately unemployment benefits and guaranteed minimum resources, they will be presented together under each country section to provide a more comprehensive perspective on social protection measures in the event of unemployment among self-employed workers.

In summary, country reports are offered as a valuable tool for:

1. Highlighting the heterogeneity and complexity of national social protection schemes for the self-employed, which may lead to disparities in the treatment established for traditional employees;
2. Pinpointing national best practices regarding social protection benefits;
3. Fostering commitment among social partners and other stakeholders;
4. Assessing the identified best practices;
5. Strengthening the capacity of national sectorial social partners and advocating for their role in ensuring adequate social protection for self-employed workers;
6. Disseminating a suitable model for social protection schemes among social partners.

Austria

General Overview

In Austria, social protection for the self-employed is based on the Federal law of 11 October 1978 (Trade Social Insurance Act, *Gewerbliches Sozialversicherungsgesetz – GSVG*) and, for the liberal professionals, on the Federal law of 30 November 1978 (Liberal Professionals' Social Insurance Law, *Freiberuflichen Sozialversicherungsgesetz – FSVG*). These two laws apply to self-employed working in Austria in the business economy, lawyers, people exercising a liberal profession or any other self-employed activity, as well as people insured under the FSVG legislation (i.e. doctors, pharmacists, civil engineers and patent attorneys). In general, specific regulations govern sickness insurance, while pension and accident insurance regulations are like those for employees. The main distinction in the social protection legislation is between farmers (*BSVG*) – a category which falls out of the current analysis – and self-employed and liberal professionals (*GSVG* and *FSVG*). Unless specified, we will not make any distinction in the regulation relating to *GSVG*, since it also includes *FSVG*.

Assessment of Social Protection Branches

Unemployment benefits

Concerning unemployment, Austria is equipped with a voluntary insurance-based system. To access the unemployment insurance scheme a declaration must be filed within six months of starting self-employment, specifying the chosen contribution base. According to § 48 *GSVG*, the self-employed can choose between three contribution amounts.

In the case of dual self-employment, specific provisions regulate the situation. For instance, when workers are both compulsorily and voluntarily insured, the amount of unemployment benefits is calculated based on all contributions made.

Regarding the conditions for access to benefits, the nature of benefits, the taxation and social contributions, no notable differences from the employees' regime shall be noted.

Sickness and Healthcare Benefits

Liberal professionals and other self-employed are covered by a specific insurance-based, work-based scheme of protection. Participation in the scheme is compulsory, but under some exemptions, professionals can voluntarily adhere to the regime. The Austrian law establishes four exceptions: 1) Liberal professionals organized in legal interest groups can opt-out from sickness and pension schemes. 2) "Low" income traders and holders of licenses can be exempted from the *GSVG* sickness and pension insurance. 3) Small business entrepreneurs are also exempted under certain circumstances. 4) Similarly, also workers whose income is below the insurance threshold can be exempted under certain circumstances.

Financing of benefits relies on income-based contributions and taxes (mostly

contributions for sickness)²⁴.

Liberal professions and “new self-employed” must declare an income that is above the insurance threshold of EUR 6,010.92 (2023). The other conditions for access to benefits are the same as for employees, with the difference that only employees can receive a cash benefit in case of reduced work capacity (sickness area). However, there is no allowance for rehabilitation.

Differences can be found in the provision concerning benefits through services. Concerning healthcare, while employed are not required to refund a part of the cost of medical help, self-employed have to cover at least 20% of the cost of medical care themselves. In the case of hospital care, a contribution is required from both categories.

Furthermore, self-employed which are covered by GSVG and whose annual contribution base exceeds a certain amount shall receive monetary benefits rather than non-monetary ones. Additionally, they can choose either to receive hospital care and medications in monetary form or non-monetary benefits. Regarding sickness, the self-employed are entitled to a daily sickness support benefit from the 4th day of illness with differences in amounts and days compared to employees.

Maternity and Equivalent Paternity Benefits

Similarly to sickness and healthcare benefits, the self-employed are covered by a specific compulsory insurance-based, work-based scheme for maternity and paternity. Some differences are evident compared to the employee’s regime. For instance, financing is based on both contributions and taxes: the maternity allowance receives 30% funding from contributions and 70% from the Family Compensation Fund. The parental leave bonus for fathers is funded by the Family Compensation Fund. All remaining aspects are regulated similarly to sickness benefits.

With regard to maternity, self-employed workers are entitled to benefits in cash consisting of a fixed maternity allowance per day²⁵. In some cases, in-kind benefits can be obtained by some specific categories. Conversely, employees are entitled to an income-related maternity allowance, whose amount is not fixed in advance.

Concerning paternity, working fathers who interrupt their work to devote themselves full-time to child care are entitled to a fixed daily allowance²⁶.

Parental benefits and child benefits are covered by the universal system for resident workers.

Invalidity Benefits

Concerning invalidity, self-employed are covered by a specific work-based, compulsory insurance scheme, not compulsory in case of low income. The definition of work incapacity depends on the age of the person.

²⁴ The annual maximum contribution base is EUR 81,900 for 2023 while the annual minimum contribution base is EUR 6,010.92 for 2023.

²⁵ EUR 61.25/day (2023).

²⁶ EUR 23.91/day (2023).

Financing is based on social contributions and general taxation. Contributions are income-based and refer to tax purposes calculation, including the contributions for sickness insurance.

With regard to the conditions for coverage, 'new self-employed' are subject to an insurance threshold.

Old-Age Benefits and Survivors' Benefits

Concerning old-age and survivors' benefits, the general scheme is the same as for sickness and healthcare coverage. Survivors' benefits do not differ significantly.

Benefits in Respect of Accidents at Work and Occupational Diseases

Self-employed are covered by a compulsory insurance-based, work-based scheme, with exemption allowed in case of low income, in case of accidents at work and occupational diseases. Financing is based on contributions.

Strengths and Vulnerabilities

In Austria, the distinction between employee and self-employed individuals emerges from the legislation. No additional issues beyond those related to the rise of new forms of employment, now widespread in many countries, can be reported. In general, the evolution of the welfare state has resulted in the establishment of highly developed social protection schemes covering all major types of social risks. These schemes typically involve a mix of social insurance benefits, universal benefits and services available to the entire resident population.

Over time, there has been a progressive trend towards incorporating the self-employed into social protection frameworks. In some instances, this involves integrating them with general or universal benefits for employees, while in other cases, specific regulations are formulated but subsequently assimilated.

However, access to some benefits remains voluntary (e.g., unemployment). Moreover, there are situations where individuals remain excluded from mandatory coverage. While this approach allows for a tailored response to specific circumstances where compulsory coverage might be excessive, it should be noted that many workers de facto lack access to these benefits, given the low coverage rates. In addition, the differentiation in treatment with employees leads, in several cases, to the payment of lower compulsory insurance contributions compared to employees. This may result in a financial incentive to choose these forms of employment (Fink & Nagl, 2018).

Belgium

General Overview

In Belgium, according to Royal Decree No. 38 of 27 July 1967 governing the social status of self-employed workers, the self-employed refers to any person who exercises a professional activity in Belgium for which he/she is not bound by a contract of employment or statute (civil servant).

According to the Belgian legislation, are entitled to social security rights persons whose main activity is as a self-employed or persons with a supplementary activity on a self-employed basis when the self-employed activity is carried out in parallel. Under certain conditions, if the other activity – the main activity – ends, the self-employed activity is still regarded as complementary.

Furthermore, a special scheme covers all self-employed workers against conventional risks (retirement and surviving dependents' pensions, compulsory health insurance and benefits). This scheme also provides the "*droit passerelle*", an insurance for self-employed people in the event they must cease their activity for certain reasons.

There are no new specific forms of self-employment that differ from more traditional forms of independent work. On the other hand, there is a favourable social and tax treatment for activities that do not generate an income that exceeds a certain ceiling and that are provided under certain conditions in the context of the collaborative economy via a platform approved by the tax authorities. The self-employed person pays social security contributions every quarter.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Concerning unemployment benefits, the self-employed scheme does not provide formal coverage for unemployment via unemployment insurance as for other workers. However, if self-employed have worked as employees in the past, they can benefit from the unemployment insurance scheme for employees under very specific conditions ("a right to return").

This scheme applies to specific categories of self-employed. They must be independent as a result of their main working activity and for coverage also assisting spouses are included. To qualify, they must be someone who is forced to suspend at least temporarily or permanently cease their self-employed activity for reasons beyond their control (there are six specific cases of forced interruption in the legislation). Alternatively, they must be an individual facing economic hardship and formally discontinuing any self-employed activities.

After the depletion of the initial "basic package" consisting of twelve months of financial benefits or four quarters of maintaining specific social rights, self-employed individuals become eligible for supplementary financial assistance or additional quarters of maintaining certain social rights in the event of a new occurrence leading to the suspension or termination of their activities.

Regarding minimum guaranteed resources, there is no distinct scheme for self-employed workers. However, they can still benefit from the residual schemes,

such as “social support”, which falls outside of social protection. To access these forms of support, strict legal conditions must be met.

Sickness and Healthcare Benefits

As regards healthcare benefits, the self-employed workers are covered by the same compulsory healthcare insurance as employees. The scheme is residence and insurance based. It is compulsory, requiring a registration with an insurer of their choice. The scheme is financed at 61.6% from contributions and at 38% from taxes (0.4% from other sources) and all the revenues of the fund are pooled so that they can then be distributed, according to need, between the different sectors of the social status of the self-employed people. Contributions are based on the tax-declared income but are calculated in a different way and with a different rate from wage earners.

To qualify for healthcare benefits, self-employed people’s contributions must be fully paid up for each calendar year that has elapsed. These contributions must reach a minimum amount each year; if this is not the case, an additional contribution must be paid. To be eligible for sickness cash benefits the self-employed workers must pay contributions equal at least to a period of two quarters and have completed a 6-month qualifying period (unless waived).

In case of dual employment status, the persons with a self-employed supplementary activity benefit from a more favourable contributory scheme for healthcare, but they are generally not entitled to benefits on the basis of their activity as self-employed workers. They are entitled to health care based on their wage-earning activity or in their capacity as civil servants.

In order to be entitled to receive healthcare benefits, self-employed workers must be affiliated with an insurer and have paid contribution for the first quarter of activity (which is not the case for employed workers at the beginning of their activity). Furthermore, to extend the rights to healthcare for a second year, the person must have been self-employed during the second previous year and must be in line with the obligation to pay contributions.

For sickness cash benefits, the self-employed workers are covered by a special scheme that differs from that of employees. The scheme is residence and insurance-based and does not cover specifically self-employed categories. Sickness cash benefits are financed in the same way as healthcare. In case of dual employment status sickness cash benefits are structured the same way as healthcare.

Concerning the conditions for access to benefits, self-employed workers must fulfil various and stringent conditions. Regarding the amounts, duration, and co-payments while healthcare benefits are equally given to both employees and self-employed, sickness cash benefits are differently structured for the self-employed. In particular, the health insurance allowance is paid from the first day of incapacity for work (provided that the incapacity to work lasts for more than 7 days) and for a maximum of 12 months. There is no waiting period only when the incapacity to work exceeds 7 days. The amount of the daily allowance is fixed and depends on the composition of the worker’s household (single, cohabiting, dependents).

In both schemes, if the incapacity to work lasts more than one year, entitlement to the disability benefit is granted only upon certain conditions.

Concerning taxation and social contributions on sickness cash benefits, there is no difference with employees.

Maternity and Equivalent Paternity Benefits

The scheme covering maternity and paternity for the self-employed is the same as for sickness benefits, based on mandatory insurance and with no differences among categories. It is financed the same way as for healthcare and sickness benefits. About the conditions for coverage, self-employed workers must pay contributions equal at least to a period of two quarters and have completed a 6-month qualifying period (unless waived). Same as for healthcare and sickness benefits, the persons with a dual employment status benefits from a more favourable contributory scheme, but they are generally not entitled to benefits on the basis of their activity as self-employed workers.

Self-employed women, in order to access maternity must be registered with an insurer; have completed or been waived from a 6-month waiting period (full-time employees must have worked 120 days and 800 hours for part-time workers during a 6-month period); prove, in the reference period, that they have paid enough contributions; have completely ceased their activities, with the option of working part-time in the optional leave period.

Self-employed women are in principle entitled to a maternity leave of up to 12 weeks (13 in case of multiple births), which consists of a mandatory and continuous 3-week rest period (one week prenatally and two weeks postnatally) and an optional rest period of 9 weeks (10 weeks for multiple births) to be taken at the latest up until the 38th week from the date of delivery. The optional leave can be taken part-time while working part-time for a maximum of 18 weeks (20 weeks for multiple births).

During this period, self-employed women are entitled to a weekly lump sum.

In the self-employed women's scheme, there is also the semi-automatic provision of maternity assistance (105 service vouchers: unless the woman explicitly indicates that she desires otherwise, these service vouchers will be delivered directly to her). Working mothers are also exempted from paying social security contributions for the quarter following the delivery, under certain conditions, to help strike a balance between the private and professional life.

Self-employed fathers (or co-parents) are entitled to a birth and paternity allowance. It is either an allowance for a leave from work of a maximum of 20 days, 40 half-days, 8 days, 16 half-days, plus a birth allowance covering for instance the costs of house help. The leave can be taken in the form of half days but within the first four months from the birth of the child. The allowance is a daily lump sum. Self-employed workers are entitled to an adoption leave of 6 weeks maximum (base period) as well as to a weekly flat-rate allowance, but the adopted child must be a minor.

Taxation and social contributions on maternity/paternity benefits are the same as sickness benefits and there is no difference with employees.

Invalidity Benefits

The scheme covering invalidity benefits for the self-employed is the same as for sickness benefits and is based on mandatory insurance, there are no different schemes for specific categories and financing for healthcare and sickness benefits. About the conditions for coverage, the self-employed workers must pay contributions equal at least to a period of two quarters and have completed a 6-month

qualifying period (unless waived). Same as for healthcare and sickness benefits, the persons with dual employment benefit from a more favourable contributory scheme, but they are generally not entitled to benefits on the basis of their activity as self-employed workers.

In both schemes (sickness and invalidity), if the incapacity for work persists after one year, entitlement to the disability benefit will be granted under certain conditions. In order to continue to be certified as incapable of working during the period of disability, the self-employed must also be unable to pursue an activity other than their previous one. Their social status, state of health and vocational training determine, among other things, whether they are still able to perform other work (as employees or self-employed) or not.

The benefit consists in a daily lump sum, the amount of which depends on the family situation.

Taxation and social contributions on invalidity benefits are the same as sickness benefits and there is no difference with employees.

Old-Age Benefits and Survivors' Benefits

Concerning old-age benefits, self-employed workers are covered by a special scheme that differs from that of employees, a compulsory residence and insurance-based model. The special scheme covers all self-employed workers but there are some specific details in calculating the pension for assisting spouses. Different types of supplementary pensions are available. The conditions for financing and for coverage are the same as for healthcare. Financing is the same as for healthcare and sickness benefits. About the conditions for coverage, self-employed workers must pay contributions equal at least to a period of two quarters and have completed a 6-month qualifying period (unless waived).

In case of dual employment status, self-employed workers receive a pension based on the number of working years and social security contributions paid. For work quarters to be considered in the qualifying career, the self-employed must pay at least a minimum quarterly contribution.

The conditions for accessing the early retirement pension (age and length of working life) are the same as for employees and the legal pension age (65) is the same. However, there is a difference in the minimum guaranteed pension with respect to employed persons. To obtain the minimum guaranteed pension, 2/3 of a full career, equivalent to 30 years, must have been spent in one system and the self-employed reach the 2/3 quota less quickly than employees.

The different benefits available in both plans are the same in nature and duration. The amount of the minimum pension is identical in both schemes, but the pension calculated on professional income is generally lower than that of employees.

Concerning the survivors' benefits, the self-employed workers are covered by a special scheme that differs from that of employees, the same as old age benefits (for financing, conditions for coverage and for access to benefits).

There is a specific scheme for survivors' pensions and transitional benefits associated with the event of the death of a worker who had a dual employment status.

Self-employed workers are entitled to a bereavement allowance if they temporarily interrupt their professional activity due to the death of their spouse or

cohabiting partner, their natural or adopted child or the natural or adopted child of their spouse or cohabiting partner, a foster child.

The conditions for access to survivors' benefits are the same as for old age benefits.

As regards taxation and social contributions on old-age and survivors' benefits, the same tax regime applies to employees.

Benefits in Respect of Accidents at Work and Occupational Diseases

There is no specific scheme for accidents at work and occupational diseases, however in case one of such events materializes the self-employed are covered by the sickness and invalidity insurance scheme tailored for them.

Strengths and Vulnerabilities

In 1994, the revised Article 23 of the Belgian Constitution introduced “the right to lead a life in keeping with human dignity” explicitly outlining “the right to social security, to health care and to social, medical and legal aid” for all individuals, irrespective of their employment status. Belgium established a dedicated compulsory social security system for self-employed individuals in January 1968. However self-employed organizations advocate for a more tailored social protection, emphasizing the uniqueness and autonomy of self-employed activities.

Belgium's social protection system for self-employed individuals and freelancers is comparatively well-developed compared to other EU member states, with five social security branches (medical care, incapacity for work or invalidity, maternity insurance, family benefits, pensions and bankruptcy). The “National Institute for the Social Security of the Self-employed” safeguards the social security scheme of self-employed workers, covering them from the establishment of their business to retirement, contributing to their social and economic well-being. Additionally, social security contributions paid personally by self-employed individuals are considered professional expenses and are fully tax-deductible.

While there is not a specific scheme for workplace accidents and occupational diseases, self-employed are covered by an insurance system that addresses various social risks. An ad-hoc scheme encompasses all self-employed workers, providing coverage for conventional risks such as retirement and surviving dependents' pensions, mandatory health insurance, and associated benefits. This scheme also incorporates the “*droit passerelle*” (bridging right). The bridging right has consistently been underutilised due to several reasons, such as very strict granting conditions, the short duration of the benefits, lack of awareness in this respect of the self-employed (Dumont 2020, 172).

Since 2015, the bridging right covers 1) temporary or permanent forced interruption of all independent activities due to a natural disaster, damage, fire, allergy, decision of a third economic actor or event with economic impact or after bankruptcy; and 2) cessation of any independent activity due to economic difficulties. The bridging right is now regulated by a new framework: Articles 188 to 211 of the *Loi-programme* of 26 December 2022. According to Van Limberghen, the bridging right can be considered as an unemployment benefit for the self-employed (Van Limberghen, 2024).

During the COVID-19 pandemic (from March 2020), a Temporary Crisis Measure Bridging Right was introduced as an extension of the third pillar of the conventional bridging right, specifically for cases of “*force majeure*”.

However, significant concerns revolve around the bureaucratic hurdles inherent in applying for benefits, the delays in benefit reimbursements, particularly in healthcare, and the requirement for individuals to advance funds. Additionally, challenges stem from the federal structure of the state, which can impede processes and spark conflicts among relevant authorities. For instance, the funding of social protection is multifaceted; the federal State contributes through public funds derived from various sources such as income, taxes, and excise taxes. Furthermore, regions participate in financing through subsidies aimed at offsetting regional contribution reductions.

To comprehensively address the challenges surrounding access to social protection in Belgium, the Federal Public Service Social Security commissioned an academic audit²⁷. The purpose was to methodically and substantively identify these challenges for both employees and self-employed individuals in the country. The audit was tasked with analysing four critical domains: formal insurance coverage, effective insurance coverage, adequacy, and transparency.

The findings of the audit revealed several deficiencies in formal coverage, particularly concerning unemployment, workplace accidents, occupational diseases, and mixed activities. Despite Belgium’s implementation of various measures aimed at enhancing financial access to healthcare, the EU’s “unmet need for medical care” indicator suggests that individuals with low incomes experience significant delays in accessing healthcare due to financial constraints.

Moreover, individuals under the self-employed system lack access to unemployment insurance available to employees, presenting a notable disparity. Additionally, a significant issue highlighted by the audit is the lack of automatic adjustments to benefits in line with changes in the overall level of well-being.

²⁷ The final report is available at: belgium.be.

Bulgaria

General Overview

In Bulgaria, the main legislation specifying social protection coverage for the self-employed is the Social Insurance Code. The legal definition of self-employment in social protection legislation includes the following criteria: 1) Freelance professionals and/or craftsmen; 2) Sole entrepreneurs, proprietors, and co-proprietors of companies; 3) Individuals registered as farmers and tobacco planters; 4) Individuals who are traders but not registered as sole traders.

In brief, the criteria used to distinguish the self-employed from employees are based on registration and business structure. Coverage of the self-employed by the social protection system differs from that of employees. Employees are obligatorily insured for all social risks, including old age, invalidity and death, unemployment, sickness and maternity, as well as accidents at work and occupational diseases. On the other hand, self-employed individuals are only compulsorily insured for old age, invalidity due to general disease, and death. They can choose to voluntarily insure themselves for sickness and maternity.

In Bulgaria, there is no differentiation in the level of social protection among self-employed or employees. As of the provided information, there are no specific “new” forms of self-employment, such as platform workers, mini-self-employed, solo self-employed, or economically dependent self-employed, recognized in the social protection legislation.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

In Bulgaria, self-employed individuals are not covered against the risk of unemployment but fall under the general scheme for guaranteed minimum resources which is based on residence and tax. The scheme is financed by general taxation and correlative benefits are not taxed.

Concerning guaranteed minimum resources, the self-employed are covered by the general scheme, which is based on residence and tax, and financed by general taxation. While there is no specific regulation for dual employment status on guaranteed minimum resources, conditions for access to benefits and the amounts, duration and co-payments of benefits are the same as for employees. The tax regime applied to benefits for the self-employed is the same as for employees and no taxes are payable on guaranteed minimum resources benefits. The regulations applying to social contributions payable on benefits for the self-employed are the same as for employees and there are no social security contributions payable on benefits.

Sickness and Healthcare Benefits

Concerning sickness and healthcare, the self-employed are covered by the

general social insurance scheme, which is the same scheme that covers employees. While for healthcare the coverage is based on a compulsory social insurance system, and it is residence-based, sickness falls under a voluntary insurance scheme and the self-employed are required to apply specifically through an opt-in mechanism.

There are no specific qualifying conditions for self-employed individuals to access coverage.

The financing of the social insurance scheme comes from a mix of contributions and taxes, while sickness benefits are financed through contributions. Healthcare social insurance contributions for the self-employed are calculated based on the gross monthly contributory income, with minimum and maximum amounts determined by the Public Social Insurance Budget Act for each year. The contribution rate and calculation method are the same as those for employees. For sickness, the earnings base includes all employment income.

The conditions for entitlement to receive benefits and the benefits themselves, including their level, duration, and any co-payments, are the same for self-employed individuals as they are for employees. Persons insured for sickness and maternity are entitled to sickness benefits if they have at least 6 months of insurance coverage of this risk. This period of insurance may be interrupted or uninterrupted. It may be also acquired through different employers, thus periods of absence from work are not taken into account for entitlement to sickness benefits. The requirement for the 6 months of sickness insurance coverage does not apply to persons below 18 years of age.

Concerning the dual employment case, no specific regulation exists. Self-employed pay social security contributions for the sickness branch on the sum of their insurable incomes, but not more than the maximum insurable income.

Maternity and Equivalent Paternity Benefits

There is no specific scheme for the self-employed in terms of maternity and paternity benefits. Self-employed individuals are covered by a voluntary insurance system, where they need to apply to be covered. Maternity cash benefits for the self-employed are funded by contributions based on the same earnings base as for employees. The rate of contributions is the same as for employees, and there are no specific qualifying conditions for self-employed individuals to access this coverage.

Regarding dual employment status, there are no specific regulations in place for individuals who work both as employees and as self-employed. They pay social security contributions on the sum of their insurable incomes, but not more than the maximum insurable income.

The conditions for entitlement to receive benefits, including the level, duration, and co-payments, are the same for self-employed individuals as they are for employees. Persons who are insured for maternity have the right to receive cash benefit if they have 12 months of insurance for this risk.

The taxation and social contributions on benefits for the self-employed are also the same as for employees, with no taxes or social security contributions payable on benefits.

Invalidity Benefits

Self-employed are covered by the general social insurance scheme for invalidity. This coverage is a compulsory and work-based scheme, with financing primarily coming from social contributions, and any deficit covered by the State Budget. The earnings base on which contributions are calculated is defined the same way as for employees, including all income from employment.

There are no specific qualifying conditions for self-employed individuals to participate in this scheme, and there are no separate regulations for individuals who work both as employees and as self-employed. They pay social security contributions on the sum of their insurable incomes, not exceeding the maximum insurable income.

The conditions for entitlement to receive benefits, including the level of benefits, their duration, and any co-payments, are the same for self-employed individuals as they are for employees. To be eligible for an invalidity pension, individuals must have completely or partially lost their working capacity indefinitely or for a long time, with 50% or more reduced working capacity or a specified degree of disability. They must also have certain periods of insurance acquired before the determination of invalidity based on their age and work history²⁸.

The tax regime applied to benefits for the self-employed is the same as for employees, with no taxes payable on benefits. Similarly, the regulations regarding social contributions on benefits for the self-employed are the same as for employees, with no social security contributions payable on benefits.

Old-Age Benefits and Survivors' Benefits

There is no specific scheme for the self-employed in terms of old-age and survivors' benefits. Self-employed individuals are covered by the general social insurance scheme, which is a compulsory and work-based scheme. Financing comes primarily from social contributions, with any deficit covered by the State Budget. The earnings base on which contributions are calculated is defined in the same way as for employees, including all income from employment.

There are no specific qualifying conditions for self-employed individuals to participate in this scheme, and there are no separate regulations for individuals who work both as employees and self-employed except that self-employed pay social security contributions on the sum of their insurable incomes, capped at BGN 3,400.

The conditions for entitlement to receive benefits, including the level of benefits, their duration, and any co-payments, are the same for self-employed individuals as they are for employees. To be eligible for old-age benefits, individuals must meet the same conditions as employees, and the taxation and social contributions on benefits for the self-employed are the same as for employees, with no taxes or social security contributions payable on benefits. To be eligible for survivors' benefits, children, need to be up to 18 years old. If they are students, they receive the pension up until completing their education but not longer than 26

²⁸ In particular, up to 20 years of age and blind from birth before starting work – irrespective of the insurance periods; up to 25 years of age – 1 year; up to 30 years of age – 3 years; over 30 years of age – 5 years. At least 1/3 of these periods of insurance need to be acquired as a result of actual work.

years old, as well as above that age if they were determined to have invalidity before turning 18, respectively 26 years old. The spouse has the right five years before retirement age, or before that age if they are incapable of work. Lastly, parents have the right to a survivor's pension from their children if they have reached their pensionable age and do not receive a personal pension.

Benefits in Respect of Accidents at Work and Occupational Diseases

In Bulgaria, there is no specific scheme for the self-employed in the context of accidents at work and occupational diseases. Therefore, they are not covered against such risks.

Strengths and Vulnerabilities

The Bulgarian system provides clear criteria for distinguishing self-employed individuals from employees based on registration and business structure, reducing ambiguity in coverage determination. In general, both self-employed and employees receive the same level of social protection, ensuring equitable treatment and equity in the system. Bulgaria does not have specific regulations for those working as both employees and self-employed, simplifying the system's administration.

However, some vulnerabilities emerge. The self-employed in Bulgaria are not covered for unemployment, accidents at work and occupational diseases and their coverage for sickness and maternity and paternity is voluntary, leaving some risks unaddressed. Those branches which rely on a mix of contributions and taxation could pose financial challenges, especially if contributions do not adequately cover the benefits provided. The uniform treatment of all self-employed individuals may not consider the diverse nature of self-employment, potentially leaving certain categories with insufficient protection.

Croatia

General Overview

In Croatia, the legislative body regulating social protection comprises the Pension Insurance Act, the Contributions Act, the Health Insurance Act, the Act on Maternity and Parental Benefits, and the Act on Job Placement and Unemployment Insurance. The social protection for the self-employed is generally equivalent to that for the employees and there is no specific legal definition of the first category. According to the MISSOC database, it appears that the only distinction among the self-employed concerns those who are: 1) engaged in agricultural activity; 2) caregivers according to regulations on social welfare, 3) caregivers of Croatian war veteran invalids and independent artists.

However, these categories are not fit for the purpose of the current research. In social protection legislation, a self-employed person is generally identified among those individuals who engage in a working activity independent from the direction of an employer. Furthermore, they have the intention to derive income or profit from their work, and they are registered with the competent authority.

It should be further noted that the only forms of “new” self-employment are those acknowledged by the Crafts Act, referring to “household industry” and “secondary occupation”.

The distinctiveness of the Croatian social security system is to be found in the fact that different types of social risks are linked and covered by the same system of benefits (i.e. sickness/health risk is connected to accidents at work or invalidity risk and survivors are connected to the old age risk).

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Self-employed are covered from unemployment by the general scheme which also covers employees. Protection is based on a universal, non-contributory scheme, financed directly from the state budget through general taxation. In order to get the benefit, workers must have had an active working period of at least 9 months within the last 2 years. The amount of the unemployment benefit depends on the activity of the contribution of the last 3 months.

There is also a general scheme for minimum resources, financed by general taxation, that is the same for all residents.

Sickness and Healthcare Benefits

With regard to healthcare, the self-employed are covered by the general scheme which also covers employees. Coverage is provided by an insurance work-based compulsory system, financed mostly from (compulsory) contributions as well as from general taxation. Contributions are calculated according to a system based on average income, thus independently from the worker’s income. Accordingly, while not being a universal service, healthcare consists of a general system covering all workers. In the event that a person does not pay the contributions due, he or she is entitled to medical care only during an emergency.

Sickness benefits do not differ from the healthcare system. All workers are generally covered by an insurance-based compulsory scheme, financed mostly from contributions while a minimal part comes from general taxation. Also in this case, the self-employed pay their contributions based on the average salary from the previous year while employees contribute based on their actual income. The conditions to access the coverage are the same as for employees: a minimum period of insurance is required (9 consecutive months of consecutive or 12 months in the last two years). If not, the insured is entitled only to a minimum sickness benefit. The content of the benefit, on the other hand, is significantly different from the employees' regime: while the right to the benefits is subject to 42-day waiting time for both categories, only employees are covered by employer contributions in the waiting time, while the self-employed receive no substitutive entitlement.

Maternity and Equivalent Paternity Benefits

As for sickness and healthcare benefits, self-employed are covered by a general scheme applicable to all workers. The system is compulsory, insurance-based and work-based, financed by general taxation and contribution. Conditions for access and coverage are the same as for employees. Maternity leave covers more extensively than paternity leave, even though in certain circumstances or for the non-compulsory period the benefit may be transferred to the father. Both parents can enjoy parental leave not before the child reaches the age of 6 months.

Invalidity Benefits

In the invalidity scheme, the self-employed are covered along with employees. The scheme operates as an insurance and work-based compulsory system, financed almost entirely through general taxation. The other features are similar to the social protection schemes described above.

Old-Age Benefits and Survivors' Benefits

Old-age and survivors' benefits are no different than the previous schemes and the regime is aligned with that covering employees. There are no particular distinctions between the two categories, other than those already described in the previous paragraphs.

Benefits in Respect of Accidents at Work and Occupational Diseases

Concerning accidents at work and occupational diseases benefits, the coverage system is the same as the ones previously described: a general scheme that also covers employees, insurance work-based and compulsory. The system is financed mostly from compulsory insurance contributions and the rest from general taxation.

Strengths and Vulnerabilities

Croatia adopted a comprehensive and mandatory social protection system that applies uniformly to both self-employed and employed workers. Therefore,

the lack of a precise legal definition of an employee does not seem to pose particular challenges. After the innovations of recent years (e.g. parental leave, which was previously lacking), today all the various fields of risks and social benefits appear to be covered by benefits and the protection of self-employed workers is assimilated with that of employees (with the possible exception of the sickness mechanism with the waiting period of 42 days, which only applies to the self-employed). Overall, there are no substantial disparities between self-employed and employed individuals, except for a potential exception in the sickness mechanism, notably the waiting period of 42 days, which specifically applies to the self-employed.

Cyprus

General Overview

In Cyprus the main legislation governing the social protection coverage of the self-employed is Social Insurance Law No. 59(I)/2010.

Self-employed workers are defined as those engaged in their own business or occupation on an independent basis, encompassing various economic activities such as farming, entrepreneurship, or retail, except those engaged in agriculture below the age of 16. Generally, the self-employed have the same rights and obligations as employees, except concerning unemployment benefits and employment injury benefits. The legislation does not differentiate between various types of self-employed workers, nor does it recognize any “new” forms of self-employment.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Self-employed workers are not covered against the risk of unemployment.

Concerning guaranteed minimum resources, the self-employed are covered by the general scheme which also covers employees. It is an “Opt-in” system, meaning that it is a universal but voluntary system. The measure is financed by public funding. The conditions for access to benefits/services, amounts, duration, co-payments are the same as for employees. These benefits are not subject to taxation and contributions are not payable.

Sickness and Healthcare Benefits

Concerning healthcare, the self-employed are covered by the general scheme which also covers employees. It is a compulsory insurance scheme. Healthcare is financed by the State and by social contributions. The earnings base on which contributions are calculated is defined in the same way as for tax purposes. Contributions of the self-employed are 4% of their income, while contributions of employees are 2.65% and 2.9% from employers on employee’s salaries. No specific qualifying conditions are stipulated for the self-employed. Contributions for earnings from self-employment are set at 4%, while contributions for salary-based earnings are at 2.65%. Access conditions, benefit amounts, duration, and co-payment requirements align with those for employees.

Concerning sickness cash benefits, self-employed individuals are covered by the general scheme, which also covers employees. This compulsory social insurance scheme is financed by contributions, it covers employees and the self-employed. It provides earnings-related pensions and other benefits depending on contributions and the duration of affiliation. The measure is financed by social contributions. The contribution rate is 20.5% of the insurable income of the self-employed of which 15.6% is paid by them and 4.9% by the State. The rate of the benefit is the same as for employees. The conditions for coverage are the same as for employees. Amounts, duration, and co-payments to access benefits are the same as for employees, except that there is a 9-day waiting period for the self-

employed. Furthermore, also employees are subject to a waiting period in case the sickness was due to an accident or the person was hospitalized. Benefits are not subject to taxation and social contributions are not payable, mirroring the treatment for employees.

Maternity and Equivalent Paternity Benefits

The self-employed are covered by the general scheme, which also covers employees. The scheme type, coverage conditions, amounts, and duration are the same as for sickness benefits. The scheme is financed by social contributions.

Invalidity Benefits

Concerning invalidity benefits, the self-employed are covered by the general scheme, which also covers employees. The same model, coverage conditions, amounts and duration as for sickness benefits applies. The scheme is financed by social contributions. Pensions are subject to taxation and contributions are not payable.

Old-Age Benefits and Survivors' Benefits

To access old-age and survivors' benefits, self-employed workers are covered by the general scheme which also covers employees. The same model, coverage conditions, amounts and duration as for sickness benefits applies to these two social protection measures. The two schemes are financed by social contributions. Old-age pensions are subject to taxation and contributions are not payable. Furthermore, the surviving spouse pension is subject to tax, while other benefits, such as orphan benefits are not subject to tax. No contributions are payable on survivors' benefits.

Benefits in Respect of Accidents at Work and Occupational Diseases

In the event of workplace accidents or occupational diseases, self-employed workers are not covered.

Strengths and Vulnerabilities

In Cyprus, self-employed workers are encompassed by the general social security system. The positive aspect of the system is that the Cyprus social protection scheme offers some universal guarantees for both the self-employed and employees. However, some other social measures are either non-existent or voluntary for self-employed workers. For the determination of their contributions, compulsory minimum insurable incomes are established by occupation, but the self-employed can opt to pay higher contributions. Healthcare and maternity, pensions and family benefits are universal in Cyprus. Self-employed workers are covered also in case of sickness: there is generally a waiting period of 9 days to receive the benefits receive sickness benefits (except in case of hospitalization). Concerning guaranteed minimum resources, self-employed people are covered by the general scheme which also covers employees.

However, notable vulnerabilities in the social protection system for self-employed workers include the absence of unemployment benefits and coverage for

accidents at work and occupational diseases. Another challenge lies in the system's failure to recognize different types of self-employed workers or acknowledge "new" forms of self-employment.

Czech Republic

General Overview

In the Czech Republic, the main legislation distinguishing self-employment from paid employment is Act No. 155/1995 Coll. on Pension Insurance. Those who independently engage in gainful activity qualify as self-employed. The term used for such individuals is “Self-employed person” (*osoba samostatně výdělečně činná*) referring to a person with income from business or other forms of self-employment, such as a private farmer, trade license holder, or artist; those who cooperate with others in the independent pursuit of gainful activity, provided they have a share of income from this activity, bear a share of the expenditure, and have completed mandatory school attendance. Conversely, no new forms of self-employment are recognized.

Czech social protection legislation distinguishes between full-time and part-time self-employed individuals. Self-employment is considered to be part-time if, in the given calendar year, the self-employed either worked also as an employee earning at least the minimum wage; was entitled to disability benefit, old-age pension, parental allowance, maternity benefit or sickness benefit; served in the Czech military or on community service; or was a dependent child in full-time study.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

The self-employed benefit from unemployment coverage under the general scheme, which is an integral part of the compulsory insurance-based and work-based system. Additionally, for guaranteed minimum resources they are covered under the general scheme, which is universal, tax-based, and residence-based.

Concerning financing, unemployment benefits rely on social contributions, applying a unique assessment base for the self-employed. This consists of 50% of the annual income derived from independent gainful activity. Similar to employees, there is a yearly ceiling of CZK 1,935,552 (EUR 80,011). Notably, self-employed individuals earning up to CZK 2,000,000 (EUR 82,675) annually have the option to pay a lump-sum tax. Guaranteed minimum resources, on the other hand, draw financial support from general taxation and other public funding.

Regarding conditions for coverage, there are no specific qualifying conditions for the self-employed in the context of unemployment benefits, whereas guaranteed minimum resources have no applicable conditions.

For those enjoying a dual employment status, the regulations for individuals combining self-employment with paid employment mirror those of employees when it comes to unemployment benefits. However, an individual cannot register as a job seeker or apply for unemployment benefits until their self-employment activities are suspended or terminated. No specific regulations apply to dual employment status in the context of guaranteed minimum resources.

Conditions for access to benefits and services align for both employees and the self-employed concerning unemployment benefits. Similar to employees, self-

employed individuals must have worked for at least 12 months within the last two years preceding unemployment to qualify for benefits. The lack of distinctions extends to guaranteed minimum resources.

Amounts, duration, and co-payments remain consistent for both employees and the self-employed when it comes to unemployment benefits and guaranteed minimum resources.

Benefits from unemployment and guaranteed minimum resources are not taxable, and there are no social contributions payable for both employees and the self-employed.

Sickness and Healthcare Benefits

The self-employed in the Czech Republic enjoy healthcare coverage under the general scheme, which is a mandatory, tax-based, residence-based insurance system. However, self-employed individuals without permanent residency status are excluded from this coverage. For sickness cash benefits, the self-employed are also covered by the general scheme, a work-based insurance system which operates on a voluntary opt-in basis.

In terms of financing, healthcare relies on general taxation and social contributions. The assessment base for contributions is 50% of the monthly income from independent gainful activity. For those with an annual income of up to CZK 2,000,000 (EUR 82,675), a monthly lump-sum tax option is available. The contribution rate mirrors the overall rate for employees (13.5%), distributed differently between self-employed individuals and employers. Sickness cash benefits, on the other hand, are funded through social contributions. Self-employed individuals set their contribution base, with a minimum of CZK 8,000 (EUR 331) per month and a maximum determined by the pension insurance contribution base.

Regarding coverage conditions, healthcare has no specific qualifying criteria, while self-employed third-country nationals must possess permanent residence in the Czech Republic to access public health insurance. For sickness cash benefits, there are no specific qualifying conditions for self-employed individuals.

In cases of dual employment status, individuals combining gainful activity as an employee and self-employed simultaneously are exempt from paying minimum contributions typical for employees or the self-employed. Contributions from self-employment are calculated based on actual yearly income, provided that the income from paid employment is at least as much as the minimum wage. Conditions for access to benefits and services align with those for employees in healthcare. However, for sickness cash benefits, no specific regulations apply. Contributions are paid separately for each insured economic activity and a single benefit is paid based on the sum of earnings from all insured economic activities.

In terms of access to benefits and services, healthcare for the self-employed aligns with the conditions applicable to employees. To qualify for sickness benefits, beginning from the 15th day of incapacity for work, a self-employed individual must have been covered by sickness insurance for at least three months immediately preceding the first day of their incapacity. Additionally, the self-employed must have at least three months of coverage immediately preceding the need for care to qualify for the long-term attendance allowance.

Regarding amounts, duration, and co-payments, healthcare provisions for

the self-employed are the same as those applicable to employees. Similarly, sickness cash benefits for the self-employed follow the same rules as for employees, with sickness benefits paid from the 15th day of illness.

Benefits are not subject to taxation, and there are no social contributions payable on these benefits. The contribution rate is the same as for employees, covering disability, old age, and survivors' benefits.

Maternity and Equivalent Paternity Benefits

Moving on to maternity and equivalent paternity benefits, the self-employed can access coverage under the general scheme through a voluntary insurance-based system. Financing is supported by general taxation and social contributions, applying the same earnings base and calculation as for sickness benefits. Conditions for coverage and dual employment status align with those for sickness benefits. Access to benefits and services is generally the same, but self-employed individuals must meet specific criteria for maternity/paternity benefits, such as having been insured for at least 180 days during the year preceding the first day of the benefit.

The amounts, duration, and co-payments of the benefits are the same as for employees. So are the taxation regime and the social contribution scheme: benefits are not taxable and there are not social contributions payable on benefits.

Invalidity Benefits

For invalidity benefits, the self-employed fall under the general scheme, operating as a compulsory work-based insurance system. Financing relies on social contributions, with a different assessment base for the self-employed. The earnings base is 50% of the annual income from independent gainful activity after deducting expenses, but the amount can be increased on a voluntary basis. The self-employed with a maximum annual income can pay a monthly lump-sum tax which includes a lump-sum social insurance contribution. The contribution rate applied is the same as for employees and disability, old age and survivors' benefits are included, while the basis of calculation for the self-employed is different.

Coverage conditions mirror those for employees. Concerning dual employment status, a self-employed working on a part-time basis can be covered for pension insurance, under some conditions.

A lower minimum contribution base applies for part-time self-employed. Contributions are paid separately for each insured economic activity. A single benefit is paid based on the sum of earnings from all insured economic activities. The conditions for access to benefits/service and the amounts, duration, and co-payments are the same as for employees.

In terms of taxation and social contributions on benefits, the self-employed experience the same regulations as employees. Notably, only high pensions that yearly exceed CZK 622,800 (EUR 25,745), equivalent to 36 times the minimum monthly wage, are subject to tax. Importantly, there are no social contributions payable on benefits, mirroring the conditions applicable to employees.

Old-Age Benefits and Survivors' Benefits

Old-age benefits and survivors' benefits are also covered by the general scheme, functioning as a compulsory work-based insurance system. Financing is

through social contributions, with conditions, access to benefits/services, amounts, and duration identical to those for employees.

Regarding coverage conditions, self-employed individuals face no specific qualifying requirements for old-age benefits, and the criteria for survivors' benefits are identical to those applicable to employees.

In cases of dual employment status, the provisions for old-age and survivors' benefits align with the patterns outlined for invalidity benefits.

When it comes to accessing benefits and services, the conditions for old-age and survivors' benefits, amounts, duration, and co-payments mirror those established for employees.

Finally, concerning taxation and social contributions on benefits, the regulations coincide with those highlighted in the section on the invalidity benefits.

Benefits in Respect of Accidents at Work and Occupational Diseases

There is no protection scheme for self-employed workers in the event of accidents at work and occupational diseases.

Strengths and Vulnerabilities

In assessing Czech regulation on social protection, it appears that self-employed workers are generally not afforded equivalent rights and benefits as employees: access conditions tend to be more financially burdensome for the self-employed, and concerning accidents at work and occupational diseases, they lack a protection scheme.

In case of sickness, cash benefits are paid to self-employed workers only from the 15th day of temporary incapacity for work, provided they have been covered by sickness insurance for at least three months immediately preceding the first day of inability to work. It's worth highlighting that stringent insurance constraints are in place for maternity benefits granted to self-employed women, signifying a distinctive set of challenges in this particular aspect of social protection.

Denmark

General Overview

In Denmark, self-employed individuals are identified among those who work at their own expense and risk, pursuing a gainful activity. Since unemployment regulations lack any definition of self-employment, each specific case has to be separately assessed based on various factors. Self-employed need: to have employees; to be registered for tax purposes; to use tax regulations for self-employed; to have a registered business that qualifies as an Industrial and Provident Society (IPS) or a company. Furthermore, with the purpose of social security policies, there is a distinction between full-time self-employed and part-time self-employed. In any case, the self-employed are covered by the same rules as employees, except for unemployment where certain rules and regulations only apply to the self-employed.

The main social protection legislation is Act No. 1182 of 26 September 2018 on Unemployment Benefits, now consolidated in Act No. 234 of 10 February 2022 on Unemployment Insurance. Furthermore, in October 2018 the unemployment insurance scheme for the self-employed and non-standard jobs was incorporated into the general scheme.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Concerning the unemployment benefits, the self-employed are covered by a voluntary residence-based insurance system which requires an opt-in.

It is financed based on a mix of fixed amount of contributions and tax. The earnings base on which they are calculated is the same as for employees. However, if the self-employed cannot meet the income requirement on the basis of earned income over the last 3 years due to, for example, low earned profit prior to closure of the business. The calculation of the rate may be based on the annual tax assessment built on the average earnings from the most profitable 2 years during the preceding 5 years.

The self-employed have to demonstrate a work-related income, which includes earnings from self-employment and salaried employment, surplus in their own company, and secondary activities.

The conditions for entitlement to receive benefits are the same as for employees. However, to qualify for full-time unemployment benefits self-employed individuals are required to cease all operations within their self-employment business. However, if they have also worked as employees a minimum certain number of hours within the last 6 months the previous condition does not apply. Concerning dual employment status there are no specific regulations, while the other conditions are the same as for employees.

About guaranteed minimum resources, the self-employed are covered by the general scheme, part of a universal, compulsory, residence-based, and tax-based

system. It is financed by general taxation. Concerning dual employment status there are no specific regulations, while the other conditions are the same as for employees.

Sickness and Healthcare Benefits

Regarding sickness and healthcare benefits, the self-employed are covered by the general scheme, a universal, compulsory, residence-based, and tax-based system.

In the case of dual employment status, there are no specific regulations concerning the healthcare benefits and there are no differences in sickness benefits. However, a self-employed individual working part-time as an employee will receive benefits in proportion to the number of hours worked in each capacity. Previous hours worked as an employee can be taken into account if the worker shifts to self-employment and has to assess whether he or she meets the employment requirements.

Conditions for access to sickness benefits and services are different for employees and for self-employed: a self-employed must have carried out a professional activity on a certain scale for at least 6 months within a 12-month period, of which one month immediately preceding illness. In comparison, an employee must have worked at least 240 hours in the last 6 months, immediately preceding illness.

The content of the benefit (amount, duration, co-payments) is the same as for employees, but the calculation basis of the amount is different for self-employed (annual tax return) and for employees (hourly wage). In addition, self-employed workers face a 2-week waiting period, but they can choose to be insured and receive benefits from the first or third day of sickness. Conversely, there is no waiting period for employees.

Taxation and social contributions on benefits are the same as for employees.

Maternity and Equivalent Paternity Benefits

Concerning maternity and equivalent paternity benefits, the self-employed are covered by the general scheme, guaranteeing universal coverage based on compulsory residence-based regime system, financed by general taxations and in the case of dual employment status the conditions are the same as for sickness cash benefits.

The conditions for entitlement are different for the self-employed and employees: the self-employed must have had a professional activity on a certain scale (at least 18½ hours on average weekly) for at least 6 months within the last 12 months, of which 1 month immediately prior to the paid leave. Employees must have at least 160 hours of work within the last 4 months preceding the paid leave and 40 hours of work each month in at least 3 of these or be entitled to benefits from unemployment insurance in case they do not have an actual employment.

The other conditions are the same as for employees.

Invalidity Benefits

Concerning the invalidity benefits, the self-employed are covered by the general scheme, which operates as a universal, compulsory, residence-based, and

tax-funded system, financed by general taxation. The conditions governing invalidity benefits for self-employed individuals bear significant similarities to those applicable to employees.

There are no specific regulations in the case of dual employment status and the conditions for access, taxation and social contributions on benefits and content of benefits are the same as for employees, while benefits for flexi-job for the self-employed are calculated according to the profit of the company.

Old-Age Benefits and Survivors' Benefits

Concerning old-age benefits, the self-employed are covered by the general scheme for old-age pension (or early retirement pension) that is a universal, compulsory, tax-based system, and based on prior residence in Denmark.

Survivors' benefits are provided through the comprehensive general protection system, incorporating a voluntary opt-in social insurance work-based scheme. In numerous situations, the framework aligns closely with the conditions applicable to employees. Survivors' benefits are financed by general taxation and social contributions from voluntary insured self-employed.

Concerning the old-age and survivors' benefits, in the case of dual employment status there are no specific regulations, and the other conditions are the same as for employees.

Benefits in Respect of Accidents at Work and Occupational Diseases

Self-employed workers are covered by the general scheme upon their voluntary decision to obtain insurance through a work-based system. The scheme operates on a voluntary opt-in basis for self-employed individuals, covering also spouses assisting in the activity.

Insurance premiums which cover the risk of accidents at work and contributions to the Labour Market Insurance, covering the risk of professional diseases, are not based on earnings. Insurance companies establish premiums' amounts depending on their specific evaluation of individual risk. Contributions to the Labour Market Insurance fluctuate according to specific trade or industry group involved.

Strengths and Vulnerabilities

The Danish social protection covers both employees and the self-employed and is largely universal, starting with health benefits, the national old-age pension and the disability pension. However, some social protection benefits are subject to multiple conditions (e.g.: unemployment benefits require people to accept job and activation offers).

In particular, the Danish social protection system seeks to incorporate self-employment and non-standard work into an unemployment protection scheme more inclusive. The revised unemployment scheme – new unemployment insurance scheme for the self-employed and persons in non-standard jobs from 2017 – implemented in 2018/2020, aims to cover people with non-standard jobs, multiple jobs, or dual employment. Protection from unemployment is defined with regard to the activities performed rather than the traditional classification as self-

employed or salaried. Benefits are allocated based on income rather than working hours, taking into account all earned income over the preceding three years.

Notably, the source of income, whether from salaried work, self-employment, or non-standard work, has become irrelevant. Furthermore, it is now easier for the self-employed to demonstrate the cessation of self-employment and non-standard work. This simplification has effectively improved access to unemployment benefits and therefore ensured better economic security. Regarding the accidents at work schemes, compulsory private insurance is incorporated in public law agreements. These agreements ensure equal access to the (private) scheme, addressing risk selection and providing support for low-income individuals.

Estonia

General Overview

Estonia does not have sectoral legislation providing social protection specifically for the self-employed. Accordingly, while on the one hand, there are no legal criteria allowing to distinguish self-employed from subordinate employees, on the other hand, sole proprietors, entrepreneur account holders, and members of management boards are not insured against unemployment and do not pay contributions to the scheme.

In general, both self-employed and employees enjoy the right to contributory social insurance benefits based on their social tax paid.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Self-employed, including sole proprietors, entrepreneur account holders, and management board members, despite not being covered by the general unemployment insurance scheme, are nonetheless protected by a non-contributory unemployment allowance scheme. Such a scheme does not depend on the status of the employed or his residence. Instead, it depends on the quality and amount of work, being it a compulsory income-tested scheme. As for its financing, the allowance scheme depends on general tax income rather than social contributions.

In general, it can be remarked that there are no specific regulations for workers with double employment. Furthermore, there are no specific conditions for accessing the unemployment allowance scheme, accordingly the status of the self-employed is comparable to that of employees.

The guarantee of minimum resources in Estonia is based on a universal, income-tested system, so there is no difference among workers' categories. The self-employed in Estonia, like employees, are covered by the general scheme, a residence-based and compulsory income-tested system financed through general tax revenue.

In cases where an individual works both as an employee and as self-employed, the regulations remain the same as those for employees. Guaranteed minimum resources are not affected by dual employment status, and both activities are covered under the same set of regulations.

The conditions for entitlement to receive guaranteed minimum resources benefits are the same for self-employed individuals as they are for employees. There are no distinctions in terms of employment or contributions' records, ensuring equal access to guaranteed minimum resources.

The benefits receivable by self-employed individuals are the same as those for employees. There are no differences in their level or duration.

The tax regime applied to guaranteed minimum resources for the self-employed is the same as for employees. Benefits are not taxable for both groups, maintaining uniformity in the tax treatment of social benefits. Additionally, there are no social contributions payable on guaranteed minimum resources benefits

for self-employed individuals, aligning with the regulations applicable to employees.

Sickness and Healthcare Benefits

Concerning sickness and healthcare benefits, it shall be preliminarily remarked that the self-employed do not enjoy a specific scheme differing from the one devoted to employees. Established by the Social Tax Act, the general healthcare scheme is compulsory and financed through social contributions. In particular, the basis for calculating the taxable amount is the work income. Specific calculation methods for the tax base are provided in the general regulation. While all employees need to contribute 33% of the tax base (20% for pension insurance and 13% for health insurance), and a ceiling of 10 times the monthly rate is established annually by the State budget, entrepreneur account holders pay based on the business income level and the same ceiling is applied²⁹. Furthermore, concerning the earnings for sickness benefits, the tax base for sole proprietors corresponds to what was actually paid by them over the previous calendar year instead of average earnings over the calendar year preceding sickness employees. To be eligible for coverage from the healthcare protection scheme, the self-employed do not have to meet special qualifying conditions. However, a minimum contribution (less than 200 euros in 2022) should be paid. An exception applies for workers combining self-employment with subordinate employment: in that case, they do not have to pay the minimum contribution if their income from paid employment is at least as much as the minimum wage. No other differences with employee regimes are identifiable concerning the conditions for accessing the services or the quality of benefits and services provided by the scheme, except for the fact that sickness benefits are received by self-employed after a waiting period of 9 days, compared to one day for employees.

Maternity and Equivalent Paternity Benefits

Maternity and paternity benefits in Estonia are covered by the general social scheme, as regulated by the Social Tax Act. Self-employed people can enjoy maternity benefits in kind, financed by social contributions, and maternity or paternity benefits in cash, financed by general tax. Payable contributions are calculated the same way as employees. Concerning the dual employment status, the conditions for access to benefits and all other features of the social protection regime, no difference has to be reported between self-employed and employees.

Invalidity Benefits

Concerning invalidity, the self-employed are covered by the same general scheme in the same exact way as employees. In particular, the scheme characterizes as being a universal residence-based tax-financed scheme providing for work ability allowance (WAA) and social benefits for disabled persons (SBD).

Old-Age Benefits and Survivors' Benefits

Old-age and survivors' benefits are also comprised in the general scheme,

²⁹ In particular, when the income is below EUR 25,000: 33% of 20% of the income; when the income exceeds EUR 25,000: 55% of 40% of the income.

which is insurance-based and compulsory in this branch. The scheme is financed by social tax and social contributions. According to the Social Tax Act, the social tax base for the self-employed is defined in the same way as for tax purposes. Furthermore, sole proprietors' social tax is 33% of the tax base (20% for pension insurance and 13% for health insurance). If a sole proprietor has subscribed to the funded pension, the 2% contribution is calculated on the basis of his income tax declaration and issues a tax notice on the payable sum. For entrepreneur account holders, the social tax rate depends on the business income level. If the income is below EUR 25,000, it will count as 33% of 20% of the income; if the income exceeds EUR 25,000, it will be worth 55% of 40% of the income.

There are no specific qualifying conditions for coverage. The only requirement to be met is that sole proprietors have to reach a minimum amount of contribution (less than 200 euros per month in 2021). Entrepreneur account holders and those providing services with a contract for services and authorisation agreement pay 33% of their declared income (minimum contribution does not apply), even though pension depends on contributions. All other conditions of the regime do not differ from employees.

Benefits in Respect of Accidents at Work and Occupational Diseases

Accidents at work and occupational diseases are covered by general health care and work ability allowance. Features of the regime are the same as healthcare. However, healthcare benefits for temporary incapacity for work are higher compared to general illness. The amount of benefit allotted varies: employees and members of management boards are given 100% of the earnings/income. Sole proprietors, entrepreneur account holders, and natural persons with authorisation agreement or contract for services are given 70% of income. Work ability allowance is paid on a general basis (same conditions apply) in cases the illness lasts over 6 months. There is no waiting period before a person can receive benefits.

Strengths and Vulnerabilities

The Estonian system has some remarkable strengths: self-employed individuals, including sole proprietors and management board members, are eligible for a non-contributory unemployment allowance based on work quality and work amount, providing a safety net even when not covered by the general unemployment insurance scheme. Access to social protection is guaranteed to the self-employed without significant differences from employees, ensuring a level playing field for different types of workers. If the corresponding risk materializes, self-employed are covered in the same way as employees. According to the data available, it can be remarked that the social protection scheme, as a whole, allows a decent standard of protection and provides benefits in a timely manner.

Concerning its vulnerabilities, it can be remarked how the general coverage is limited, leaving some categories to non-contributory schemes. Minor concern is that self-employed individuals face a longer waiting period (9 days) to receive sickness benefits compared to employees (1 day), potentially affecting their financial well-being during short-term illnesses.

Finland

General Overview

In Finland, the main legislation on social protection coverage for the self-employed is the Self-employed Persons' Pensions Act (YEL 1272/2006) and the Employees' Pensions Act (395/2006). The definition of self-employment in social protection legislation is based on the Self-employed Persons' Pensions Act, according to which a self-employed worker is a person who works for earnings without being in an employment relationship or in a service or other employment relationship subject to public law. Self-employment is mainly characterized by the intent to make profit, independence, contractor's risk, scope, extent, and transparency of the operations.

Self-employed people have the same rights and benefits as employees and are covered by the same social security schemes as employees. Yet, there are some differences. They pay contributions themselves while the main part of the contribution for an employee is paid by the employer. Furthermore, special rules apply to earnings-related unemployment benefits, accidents at work, and occupational diseases.

While new forms of self-employment are not recognized, social protection legislation distinguishes two categories of self-employment: 1) Non-agricultural self-employed workers; 2) Farmers, fishermen and reindeer breeders. Only the second category will be hereby analysed.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Self-employed workers are covered by the basic unemployment insurance scheme. They can choose to voluntarily join an earnings-related unemployment insurance scheme and qualify for the earnings-related unemployment benefit as members of a special unemployment fund, with rules particularly adapted to the situation of the self-employed.

Both schemes are insurance-based. While the basic unemployment insurance scheme is compulsory, the earnings-related unemployment insurance scheme for self-employed is voluntary (opt-in).

The basic allowance is financed by employers' and employees' unemployment insurance contributions and general taxation. The basic component of the earnings-related allowance for self-employed is financed by general taxation. The rest is financed by the self-employed unemployment fund's membership fees.

The earnings base on which contributions are calculated is the declared incomes under the Self-Employed Person's Pensions Act (YEL) and the earnings from self-employment under the Employees Pensions Act (TyEL) form the earnings base. Self-employed workers do not pay contributions to the unemployment insurance scheme. If self-employed opt-in for an earnings-related unemployment insurance fund, they have to pay an unemployment insurance fund membership fee.

The self-employed must fulfil two main conditions to be covered by the scheme: having been self-employed for at least 15 months during the 48 months preceding unemployment and having had a minimum annual income. Self-employment that was protracted for at least 4 months is taken into account for the work requirement.

In order to qualify for benefits, the employment requirement is longer for self-employed (15 months compared to 26 weeks for employees). Another condition is that the self-employed must have terminated the business. Amounts, duration and co-payments are the same as for employees except for extended unemployment allowance for the elderly exceeding the 500-day maximum payment period, which is only applicable to employees. Taxation and social contributions on benefits are the same as for employees.

Concerning guaranteed minimum resources, basic social assistance may be available to individuals and families whose income and assets do not cover their essential daily expenses. The general system, which also covers the self-employed, is compulsory, universal and residence-based, financed by general taxation. The conditions for access to benefits are the same as for employees. Amounts, duration, and co-payments are the same as for employees, but if business activities are unprofitable for the long-term, the self-employed is advised to cease business activities and register as an unemployed jobseeker. Basic social assistance is a tax-free benefit.

Sickness and Healthcare Benefits

Concerning healthcare, the self-employed who are permanently residents in Finland are covered by the same social security schemes as employed persons. Self-employed persons are covered in the public health care system provided by wellbeing services counties and in the insurance-based one managed by the Social Insurance Institution of Finland. Both systems are compulsory and residence-based. The funding of National Health Insurance and National Sickness Insurance can be divided as follows: 1) sickness insurance contributions from employers (14%); 2) contributions from employees and self-employed people towards daily allowances (27%); 3) contributions from employees, self-employed people and benefit recipients towards medical care expenses (9%); 4) state contribution towards medical care insurance (44%); 5) state contribution towards earned income insurance (5%); 6) EU compensations (1%). Public health care services provided by wellbeing services counties are financed by universal central government funding and revenue from client fees.

The earnings base on which contributions are calculated is the taxable income. Contributions are calculated in the same way as for employees. The conditions for access to benefits/services and the amounts, duration, co-payments regimes are the same as for employees.

Concerning sickness allowance and rehabilitation allowance, the self-employed are covered by the same scheme as for employees. In accordance with the Health Insurance Act, a self-employed person is defined as an individual covered under the Self-employed Persons' Pensions Act. Sickness allowance and rehabilitation allowance follow a compulsory and insurance-based scheme that covers all residents. The measures are financed by taxation and social contributions. MELA sickness allowance is financed totally by the State. Sickness allowance and

rehabilitation allowance are calculated based on YEL earnings.

The self-employed are covered by the sickness insurance scheme after being insured by the Self-employed Persons' Pensions Act for four months if not being covered already based on residence. The same regulations apply to employees. The minimum amount of sickness allowance and of rehabilitation allowance is EUR 31.99 per working day. During vocational rehabilitation or when the person is eligible for rehabilitation allowance for young persons, the minimum amount is EUR 36.91 per working day.

Concerning MELA sickness allowance, the compensation is based on one's annual income. MELA sickness allowance is paid (since the third day after a doctor's visit) until the general scheme applies. For people who are insured by the Self-employed Persons' Pensions Act, the waiting period is 1 day.

Allowances paid to employees and to the self-employed are both subject to taxation. The MELA sickness allowance is subject to taxation (same rules as for employees).

Maternity and Equivalent Paternity Benefits

The self-employed are covered by the same scheme as the employees. According to the Health Insurance Act, a self-employed person is an individual insured under the Self-employed Persons' Pensions Act. It is a compulsory and insurance-based scheme.

The funding of National sickness Insurance is based on taxes and social contributions. For the percentage allocation of funding, see the previous paragraph. The earnings base on which contributions are calculated is defined in the same way as for tax purposes. Contributions are calculated in the same way as for employees. The self-employed are covered by the sickness insurance scheme after being insured by the Self-employed persons' Pensions Act for four months if not being covered already based on residence. Conditions for access to benefits/services are the same as for employees. The benefits receivable are the same as for employees. The minimum amount of daily allowance is EUR 31.99 per working day. Benefits are subject to tax (as for employees).

Invalidity Benefits

Concerning invalidity benefits, some distinctions can be drawn. For statutory earnings-related pension, the Self-employed Persons' Pensions Act is applied. The scheme provides the same coverage as for employees. Concerning national pension, the self-employed are covered by the same social security schemes based on residence as employees and any other person residing permanently in Finland. They are entitled to national pensions (old age, invalidity and survivors' pensions) under the same conditions as all residents.

Disability allowances are available to self-employed individuals in Finland. The coverage for these allowances is provided through the same social security schemes based on residence that apply to employees and other permanent residents in Finland. Self-employed individuals are eligible for disability allowances under the same conditions that apply to all residents. Statutory earnings-related pension is an insurance-based and compulsory scheme. National pension and Disability allowance is a compulsory residence-based system. Statutory earnings-related pension is financed by social contributions. If they do not cover all the

costs, the state complements for the rest. National pension is financed by general taxation. Disability allowances are financed by general taxation.

Concerning statutory earnings-related pension, the insurable income of a self-employed is based on an estimation of how much an employee carrying out the same work should earn. Contributions for statutory earnings-related pensions are the same as for employees. For statutory earnings-related pension, the minimum insured income for self-employed is EUR 8,575.45 per year.

The national pension and Disability allowances are compulsory and residence-based.

Conditions for access to benefits/services and amounts, duration, co-payments, taxation and social contributions on benefits are the same as for employees.

Old-Age Benefits and Survivors' Benefits

Concerning old-age benefits for the self-employed, the system provides for a "statutory earnings-related pension" and a "national pension". The national pension covers all people residing in Finland if they meet the minimum requirements relating to time of residence. Earnings-related pensions cover people with earned income. Statutory earnings-related pension falls under the same scheme and coverage as for employees. Concerning the National pension, the self-employed are covered by the same social security schemes based on residence as employed persons and any other person residing permanently. They are entitled to national pensions (old age, invalidity and survivors' pensions) under the same conditions as all residents.

The statutory earnings-related pension is insurance-based, compulsory and financed by social contributions. The national pension is residence-based and compulsory. If the schemes do not cover all the costs, the state compensates for the rest. National pension is financed by general taxation. For statutory earnings-related pension, the insurable income of a self-employed is based on an estimation of how much an employee should earn for the same work. For National pension, contributions are not required. For statutory earnings-related pension, contributions are calculated the same as for employees and the minimum period of work to be entitled to it is four months for the self-employed, covered by the pension insurance scheme, while there are no requirements for employees. The minimum insured income of the self-employed is EUR 8,575.45 per year.

Concerning survivors' benefits, statutory earnings-related pensions provide the same coverage as for old-age benefits while national pensions for self-employed are covered by the same social security schemes based on residence as employees and Finland residents. Statutory earnings-related pension follows the same regime as old-age benefits. Instead, the national pension follows a residence-based compulsory system. The source of financing for statutory earnings-related pensions is the same as old-age benefits while national pensions are financed by general taxation. The earning base on which contributions are calculated, the amounts and duration of survivors' benefits and the taxation and social contributions regime is the same as old-age benefits.

Benefits in Respect of Accidents at Work and Occupational Diseases

In the event of work and occupational diseases, the self-employed are covered by the voluntary insurance scheme as laid down in the Worker's Compensation Act, which is insurance-based, work-based, and operates on a voluntary opt-in basis. Insurance companies decide insurance premiums themselves. The contributions are calculated on the insurable income, which is based on an estimation of how much an employee carrying out the same work should earn. For the self-employed, the scheme is financed by social contributions.

A person with pension insurance under the Self-Employed Person's Pensions Act has the right to take out insurance against accidents at work or occupational diseases. In the case of dual employment, there are no specific regulations. Both activities are insured separately by different legislation. The conditions for access to benefits/services are the same as for employees. Amounts, duration and co-payments are the same as for employees (no waiting period). Taxation and social contributions on benefits also are the same as for employees.

Strengths and Vulnerabilities

Finland holds one of the most comprehensive and inclusive social protection systems within the European Union, extending its benefits to self-employed individuals on par with employees. While the formal structure of the social protection system remains the same for both groups, there are nuances in coverage and benefit amounts.

Self-employed individuals in Finland enjoy a level of social protection akin to that of employees, thanks to the prevalence of universal schemes. Despite the formal alignment, self-employed workers have the flexibility to determine the composition and extent of their social security contributions. In terms of healthcare, self-employed persons who have permanent residency in Finland are encompassed by the identical social security schemes applicable to employed individuals. This comprehensive coverage also extends to insurance against accidents, work-related injuries, and occupational diseases. Acknowledging the need for support during periods of illness, paid sick leave is an integral component of the overall social security system for the self-employed.

Furthermore, maternity leave is an essential facet of the social protection coverage offered to self-employed individuals in Finland. While the existing system caters to the majority of needs, many self-employed workers opt for additional health insurance voluntarily or participate in occupational health insurance schemes.

It is relevant that self-employed workers earning below a certain income threshold can be exempted from contributing to a pension scheme. However, recognizing the importance of maintaining a continuous contribution record, they retain the choice to opt into the pension scheme, in order to mitigate potential gaps in their social security coverage.

France

General Overview

According to the French legislation, the self-employed worker (*Travailleur Indépendant*) is someone “whose working conditions are defined exclusively by himself” or alternatively is someone whose working conditions are established in a “contract” dictated by the counterpart. (art. L.8221-6-1 of the French Labour Code, *Code du travail*). Specifically, liberal professionals include those who “carry on, independently and under their own responsibility, an activity of a generally civil nature, the purpose of which is to provide, in the interest of the customer or the public, services that are mainly intellectual, technical or care-related, implemented by means of appropriate professional qualifications and in compliance with ethical principles or professional deontology, without prejudice to the legislative provisions applicable to other forms of self-employment”³⁰.

The 2018 Social Security Financing Law (*Loi de financement de la Sécurité sociale*) repealed the Social Security Scheme for the Self-Employed. Therefore, coverage is now provided by a general scheme, containing specific rules applicable to self-employed workers that will be discussed below.

Since January 2020, all self-employed workers, including craftsmen, shopkeepers, and unregulated self-employed professionals, are covered by the universal social security and social protection system and pay their contributions to the Organizations for the Collection of Social Security and Family Benefit Contributions office (*Unions de Recouvrement des Cotisations de Sécurité Sociale et d’Allocations Familiales*), included health insurance (*Assurance Maladie*) and pension insurance (*Caisse d’Assurance Retraite et de Santé Au Travail*). A national old-age insurance fund for the liberal professions (*Caisse nationale d’assurance vieillesse des professions libérales*) operates for regulated liberal professions, except for lawyers who are affiliated with the CNBF (*Caisse nationale des Barreaux français*).

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Since November 2019, self-employed workers who close their business due to court-ordered liquidation or administration proceedings, or who involuntarily lose their jobs can receive a replacement income, an allowance for self-employed workers (*Allocation des Travailleurs Indépendants – ATI*). This financial benefit is tax-financed, conditional and limited in amount and duration. The rules recently changed (first trimester of 2022) to provide security for more self-employed workers under economic hardship as a result of the health crisis. The benefit is now paid by *France Travail* and requires the applicant to register as a jobseeker. There are several conditions to be met to obtain the ATI. Since 1 April 2022, ATI is also payable for permanent cessation of an activity which was not

³⁰ Article 29, loi n. 2012-387, du 22 mars 2012, relative à la simplification du droit et à l’allègement des démarches administratives.

financially viable. ATI is tax and residence-based while, in the event of job loss, a contract is concluded with a private insurance institution with a voluntary payment system. There are no specific qualifying conditions for coverage for self-employed.

For self-employed workers, the basic conditions for entitlement to the ATI are the same as for employees claiming the return-to-work allowance (*allocation d'Aide au Retour à l'Emploi* - ARE). It is necessary, namely, to be resident in France, to lack a full pension, to be physically apt to work and actively looking for a job. The other conditions are specific to the self-employed and are quite binding (for example: the non-salaried worker must have closed his/her business due to court-ordered liquidation or administration proceedings or because the activity proved to be not financially viable).

The ATI amount, unlike the ARE, which is granted based on salaried employment, is not calculated according to previous income. It is provided as a flat-rate benefit (EUR 26.30 per day, approximately EUR 800 per month). However, for self-employed individuals whose average monthly income over the last 24 months is lower than the fixed monthly amount of the ATI, the allowance is adjusted to match this income level (with a minimum of EUR 19.73 per day, approximately EUR 600 per month). The entitlement period is fixed (6 months or 182 days) and payments are made without deferment or waiting time (unlike the ARE). The ATI is taxable (like ARE for employees) and is subject to social contributions.

Regarding guaranteed minimum resources/income for workers, the general scheme is applied, irrespective of the nature of the activity. The scheme is means-tested, tax-based, and residence-based, funded through general taxation and other public funds. This includes the Activity allowance/bonus (*Prime d'Activité* – PA, implemented in 2015), which functions as an in-work benefit for low-income salaried workers and the self-employed. The benefit is disbursed monthly and targets individuals aged 18 and above who are permanent residents of France, employed or self-employed, and whose income falls below a certain threshold. The PA amount is determined based on a lump sum of EUR 595, considering income, family situation, and housing costs. For individuals with dual employment status, there are no specific regulations, and the other conditions remain the same as for employees.

Sickness and Healthcare Benefits

Regarding healthcare benefits, individuals heading independent businesses, craftsmen, industrial workers, traders, and those in liberal professions are covered by the general compulsory scheme. This scheme is funded through social insurance contributions, taxes, and public subsidies, with contributions based on occupational income for tax purposes, unless exemptions apply. Multi-active workers can choose their preferred scheme and make contributions to each pension scheme accordingly. Other conditions are identical to those for employees.

Since 1st July 2021, liberal professions, excluding lawyers, have been subject to a specific compulsory scheme for sickness cash benefits, funded by social insurance contributions, taxes, and public subsidies, and managed by the CNAVPL (*Caisse nationale d'assurance vieillesse des professions libérales*). Non-regu-

lated liberal professionals affiliated with the general scheme for old-age and invalidity-death insurance adhere to the same conditions as craftsmen and traders.

For individuals in crafts, trade, industry, and liberal professions, their income from work is taken into account when calculating income tax, unless exemptions apply. The eligibility criteria are similar to those for healthcare benefits. Individuals who engage in multiple occupations across different schemes are known as “multi-active” (or “poly-active”). If both their employed work and self-employed activity fall under the general scheme, they are entitled to daily benefits based on the proportion of each activity, subject to a ceiling.

To qualify for sickness cash benefits in crafts, trade, industry, and regulated liberal professions, individuals must have been self-employed for at least 1 year and provide confirmation of work cessation and activity termination. They must stop working and provide a medical certificate stating that they are unable to continue or resume work.

Regarding benefit amounts, duration, co-payments, and waiting periods, the conditions for crafts, trade, and industry are identical to those for employees. However, there is a difference in payment amounts. For regulated liberal professions, the waiting period aligns with that of employees, but payment amounts are the same as for craftsmen, traders, and industrial workers, although with a higher ceiling capped at 87 days. Taxation and social contributions on sickness cash benefits remain consistent with those for employees.

Maternity and Equivalent Paternity Benefits

Self-employed workers are covered by the general scheme, which operates through compulsory insurance and is work-based for cash benefits and residence-based for in-kind benefits. It is financed by social insurance contributions, taxation and public subsidies, with the contributions calculated on the basis of the occupational income taken into account for assessing income tax, unless exemptions apply.

To access maternity benefits, self-employed individuals in crafts, trade, industry, and liberal professions must have been affiliated for at least 6 months from the date of delivery, within the non-salaried activity framework.

For paternity pay, individuals must cease work and take leave within 6 months following birth, and demonstrate 6 months of affiliation within the non-salaried activity framework.

Women heading enterprises in crafts, trade, industry, and liberal professions are entitled to daily payments for interrupted work, similar to employees. They also receive a flat-rate maternity rest benefit, called *Allocation forfaitaire de repos maternel*, amounting to 3,864 euros as of 2024, as well as a daily allowance related to her income (*indemnités journalières*), up to 62.52 euros in 2024. In case of adoption, the benefit is halved and paid in one instalment. Paternity payments last for 25 days per child, with amounts mirroring maternity leave benefits.

Coverage criteria align with healthcare standards, and taxation and social contributions on benefits mirror those for employees.

Invalidity Benefits

Craft workers and traders are covered under a general scheme, while the ten

professional sections of the CNAVPL for liberal professions (unless otherwise specified) are mandated to participate in a compulsory social insurance system based on work. Therefore, private-practice professionals who are members of a career-specific chapter of the CNAVPL receive invalidity benefits from the relevant retirement fund. This scheme is funded by compulsory social insurance contributions, taxation, and public subsidies, with contributions calculated based on the occupational income considered for income tax purposes, unless exemptions apply. Specific contributions for the liberal professions vary depending on the CNAVPL professional section.

Coverage conditions align with those for healthcare, and in cases of dual employment, there is coordination between incapacity insurance schemes to determine coverage duration and pension amounts. Incapacity benefits are generally provided by the healthcare scheme, although not all schemes are subject to coordination.

Pensions for partial incapacity for work range from EUR 486.98 to EUR 1,099.80 per month, while pensions for total and permanent invalidity range from EUR 686.09 to EUR 1833 per month. An additional allowance of EUR 1,192.55 per month may be granted if the insured person's health requires assistance from a third party for normal daily activities, similar to employees. Benefits for liberal professions depend on the CNAVPL professional sections.

Taxation and social contributions on benefits mirror those for employees.

Old-Age Benefits and Survivors' Benefits

Old-age benefits for craft workers, traders, and industrial workers are provided under the general scheme, funded by social security contributions, taxes, and public subsidies. Meanwhile, the liberal professions primarily rely on the CNAVPL for pension coverage, which functions as a compulsory social insurance system based on work. There are approximately a dozen additional schemes with varying contribution levels for different professions. For instance, lawyers are affiliated with the CNBF (*Caisse nationale des barreaux français*), which contributes to their pensions.

Individuals practicing multiple regulated liberal professions are affiliated with a single CNAVPL professional section. However, employees under the general scheme who also engage in liberal professions, even if it's ancillary in nature, must contribute to both the general scheme and the relevant CNAVPL professional section.

Coverage criteria align with those for healthcare, and access to old-age benefits mirrors that of employees. Alongside the basic scheme, various supplementary pension insurance schemes exist based on the occupation. Contributions for old-age benefits in liberal professions are converted to points to determine the basic pension amount. Taxation and social contributions on old-age benefits follow the same rules as for employees.

Survivors' benefits for craft workers, traders, and industrial workers fall under the general scheme managed by CARSAT (*Caisse d'Assurance Retraite et de Santé Au Travail*), while the liberal professions are mostly covered by the CNAVPL. Supplementary benefits, administered by CNAVPL professional sections, vary by sector and operate as a compulsory social insurance system based on work.

Funding comes from social insurance contributions, taxation, and public subsidies, with contributions calculated based on occupational income. If the deceased insured person had rights under multiple schemes, the pension amount for surviving spouses is adjusted based on available resources.

Coverage criteria for survivors' benefits align with those for healthcare, and access to benefits mirrors that of employees for the basic scheme. However, conditions differ for supplementary schemes. Taxation and social contributions on survivors' benefits follow the same rules as for employees. The amount and duration of survivors' benefits are similar to those for employees under the basic scheme, which operates as a compulsory social insurance system based on work.

Benefits in Respect of Accidents at Work and Occupational Diseases

For crafts, trade, industry, and liberal professions, there isn't a specific scheme in place. However, individuals in these sectors have the option to obtain voluntary insurance coverage through the general scheme, known as voluntary insurance (opt-in). This means they can choose to enroll for voluntary coverage through their local health insurance fund (CPAM – *Assurance Maladie*).

Voluntary insurance is financed through social insurance contributions, calculated based on earned income considered for income tax purposes, with exemptions excluded. Under voluntary insurance, individuals in crafts, trade, industry, and liberal professions are covered by the general scheme.

Opting for voluntary membership in the general scheme doesn't grant workers entitlement to daily payments. Instead, voluntary insurance covers reimbursement of healthcare expenses and funeral costs, provides lump-sum settlements or pensions in case of permanent incapacity, and offers annuities to beneficiaries in case of death.

Taxation and social contributions on benefits are the same as for employees.

Strengths and Vulnerabilities

In France, self-employed individuals, regardless of their field (agriculture, crafts, trade, industry, or liberal professions), are subject to contribution rates different from those applied to employees. Since 2019, newly established non-regulated liberal professionals have had the same coverage as craft workers and traders.

A longstanding public debate has ensued in France among associations, social researchers, and labour law experts regarding the extension of full unemployment benefits and greater social rights to self-employed workers and those in atypical working conditions. However, notable progress has yet to be achieved. Since 2019, self-employed workers have gained access to unemployment insurance under stringent conditions. Nevertheless, despite numerous measures aimed at enhancing the social protection of these workers, significant disparities persist between full-time employees and other groups concerning compensation for income loss due to illness, maternity, or work-related accidents (Huteau, Martin, Valdes, Legros & Le Bihan, 2022).

The Prime d'Activité, an in-work benefit targeting low-income workers, also

extends to self-employed individuals, serving as a crucial social protection tool for non-standard and self-employed workers alike.

Moreover, self-employed workers, such as freelancers, may classify as entrepreneurs (*autoentrepreneurs*) in certain professional sectors, excluding regulated professions and agricultural activities. "Self-enterprise" refers to an individual business eligible for the special tax regime for "micro-enterprise" and the "micro-social" regime for social security contribution payment (annual turnover must be inferior to EUR 77,700, for 2024). Micro-business entrepreneurs benefit from a simplified scheme, including the payment of compulsory social security contributions under the "*forfait social*" (simplified social security system), covering all relevant contributions for compulsory social security coverage. According to data from URSSAF (*Union de Recouvrement des Cotisations de Sécurité Sociale et d'Allocations Familiales*), the average income of micro entrepreneurs in liberal activities is EUR 7,754 per year (2021), compared to 67,018 € per year for regular liberal professions. Additionally, 30% of these micro entrepreneurs are multi-active/poly-active.

Germany

General Overview

The German social protection system operates under § 7 subsection 1 of the Social Security Code IV (*Sozialgesetzbuch IV*).

The legislation does not explicitly identify self-employed individuals but defines employees as those with a subordination relationship (*Weisungsgebundenheit*) within an organizational work structure established by a superior. The Federal Social Court further clarifies self-employment definition by emphasizing activities carried out independently, business risk (*Unternehmerrisiko*), personal workforce and equipment, and autonomy over one's activity and working time.

In Germany, self-employed individuals are generally not covered by statutory social insurance schemes, unlike employees. However, there are exceptions, including: 1) Some categories of self-employed covered by compulsory statutory pension insurance schemes³¹; 2) Specific social insurance schemes designed for members of liberal professions³²; and 3) Specific social insurance schemes for farmers.

In some cases, self-employed individuals may have the option to access social protection insurance schemes on a voluntary basis.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Regarding unemployment in Germany, there is an optional unemployment work-based insurance system. To be eligible for coverage, individuals must meet certain conditions, including minimum working and insurance periods, as well as minimum working hours. Contributions are calculated based on a monthly reference income, specifically 2.4% of the average earnings of the statutory pension insurance, differing from the contribution calculation for employees, which is based on their pay.

In addition, a citizen's allowance (*Bürgergeld*) or unemployment assistance guarantees minimum resources through a general scheme. This program is financed through general taxation and applies to all workers. The benefits provided under this scheme are work-based, meaning that only individuals capable of work can receive these benefits.

Sickness and Healthcare Benefits

In Germany, the healthcare system operates on compulsory insurance and all residents must be covered through either compulsory public "social" insurance

³¹ E.g. teachers, educators and carers in nursing care, infant's nursing, childcares without employees subject to compulsory insurance, midwives, marine pilots, artists and publicists, craftsmen, coastal skippers and fishermen, craftsmen listed in the register of crafts business and thus fulfil the register's requirements and self-employed persons who do not employ workers subject to compulsory insurance on a regular basis and are mainly working for one client.

³² E.g. doctors, pharmacists, architects, notaries, lawyers, accountants, tax advisors, veterinarians, auditors, dentists, partly psychological therapists, engineers.

accessible to all (GKV) or private insurance under certain conditions (PKV). Some categories undergo special regulations, and individuals with low or no income have their insurance costs covered by the state.

The distinction between employees and the self-employed in terms of healthcare coverage is as follows. Employees with an annual income below a certain threshold are required to enrol in statutory health insurance, which also covers dependents. Employees with an income above this threshold may opt for private insurance.

Conversely, the self-employed can freely decide which type of insurance to choose, regardless of their income level.

The healthcare system for workers is, therefore, financed entirely from contributions. For the self-employed, the income base for the payment of contributions is defined, with a minimum and a maximum, based on the tax return. Healthcare protection is, therefore, for the self-employed, mandatory, insurance-based, and work-based.

Sickness benefits are not covered by a specific statutory insurance scheme. Self-employed who are voluntarily insured in statutory sickness insurance can choose to voluntarily extend their insurance coverage to include sickness benefits. Self-employed with private insurance can also insure themselves for sickness benefits. Sickness protection is therefore, for the self-employed, voluntary (opt-in), insurance-based, and work-based.

Maternity and Equivalent Paternity Benefits

Maternity and paternity schemes provide both benefits in cash and kind, operating under insurance-based, work-based schemes. Benefits in kind follow the healthcare scheme, therefore they must be mandatorily insured under that system. Benefits in cash adhere to the sickness benefits scheme, allowing self-employed individuals to participate voluntarily in the insurance. The contribution system follows the one previously described.

There is no paternity leave in Germany, but it is possible to claim parental benefits, with no distinction from employees in this regard.

Invalidity Benefits

In the invalidity scheme, the self-employed are covered by an insurance-based, work-based system, structured in two main branches: 1) Categories of self-employed covered by compulsory statutory pension insurance schemes (see *Overview*) are involved in the general system (accessed through voluntary or compulsory insurance); 2) Liberal professionals' benefits are internally financed, insurance-based specific schemes guaranteeing mandatory support in the case of invalidity based on the regional states' legislation (*Landesrecht*).

The benefits are financed from contributions and taxes in the first case, and only from member contributions in the second case.

Old-Age Benefits and Survivors' Benefits

Old-age and survivors' benefits are covered, for the self-employed, by an insurance-based, work-based system, mandatory or not, structured in different ways: 1) Categories of self-employed covered by compulsory statutory pension insurance schemes are involved in the general system (accessed through voluntary

or compulsory insurance); 2) Other self-employed can voluntarily participate in statutory pension insurance (opt-in) depending on the requirements (insurance obligation on request or voluntary insurance); 3) Liberal professionals' old age benefits are based on a compulsory insurance in a professional insurance scheme, internally financed.

The earning base on which contributions are calculated is determined accordingly: 1) The self-employed covered by statutory pension insurance, unlike employees, can choose between a standard contribution (*Regelbeitrag*) or a base calculated on their real income, between a minimum and a maximum; 2) Voluntary insured self-employed base is calculated on their real income, between a minimum and a maximum; 3) Liberal professions fall under specific regulations regarding contributions and benefits.

Benefits in Respect of Accidents at Work and Occupational Diseases

Concerning these benefits, there is no insurance obligation for any of the categories of self-employed workers. However, they can voluntarily join the statutory accident insurance (*gesetzliche Unfallversicherung*) that covers employees, by the same conditions.

Only within certain professional associations, self-employed individuals are obligated, as per their statutes, to have insurance coverage.

Strengths and Vulnerabilities

Social protection for the self-employed in Germany reaches a good effective level and state support for lower-income workers appears adequate. However, the system also appears quite fragmented, and several benefits are available only on a voluntary basis. While this approach may offer more tailored solutions for individual categories of workers, it also results in an overall lower level of protection compared to that provided for employees.

In particular, concerning pensions, the fragmentation of professional conditions turns into unequal opportunities to access pension schemes, which are mandatory only for specific categories of self-employed workers. Furthermore, the high costs associated with private pension funds often render them unaffordable for many self-employed individuals, leading to the emergence of an ageing population of former self-employed workers with insufficient pension funds. This situation not only diminishes the effectiveness of workers' rights protection but also places a burden on public social policies (Borghi, Mori & Semenza, 2018).

Overall, the system of collective representation for self-employed professionals is intricate and fragmented, with variations stemming from specific regulations across different *Länder*.

Greece

General Overview

In Greece, social protection for the self-employed is regulated by the Civil Code (Articles 648 to 680) and other minor legislative references³³, while a specific regulation is missing. Self-employed are defined as “All physical persons 18 and over years of age, irrespectively of gender or nationality, who pursue independently a gainful activity and maintain working premises”. There are several criteria to identify employees³⁴ and anyone who does not meet these criteria is treated by the legislation as self-employed. From data available in MISSOC tables, it is not clear whether these criteria are indicative or cumulative. While full-time and occasional (*περιστασιακή απασχόληση*) self-employment are distinct, the social protection legislation does not target specifically new forms of self-employment. In general, it can be remarked that while contributions are borne entirely by self-employed, no difference exists with employees in terms of the calculation of pensions. Some variations occur for specific benefits (see below).

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Concerning unemployment, there is a specific compulsory insurance-based, work-based scheme for self-employed craftsmen (formerly OAEE), media personnel (formerly ETAP-MME) and liberal professions, like lawyers, engineers, and doctors (formerly ETAA). The scheme is financed through flat-rate contributions, so earnings are not calculated. In particular, there are no specific qualifying conditions for self-employed: a monthly contribution of EUR 10 grants access to the unemployment allowance for all workers.

However, there are different conditions for eligibility for benefits compared to employees. Firstly, if the recipient of the unemployment benefit holds a full-time salaried position, the benefit amount is halved. Additionally, for individuals insured under the former OAEE and ETAP-MME schemes, eligibility conditions include cessation of activity, payment of contributions for at least 3 years, total individual and family income not exceeding EUR 30,000 and EUR 40,000 respectively for the two preceding fiscal years, and permanent residence in Greece.

For those insured under the former ETAA scheme, eligibility requirements include cessation of activity for at least 6 months prior to application, no professional activity whatsoever in the year preceding the application, professional activity income below 60% of the basic salary, payment of contributions for at least 3 years, and total individual and family income not exceeding EUR 30,000 and EUR 40,000 respectively for the two preceding fiscal years, along with permanent residence in Greece.

³³ Article 6 of the Law 765/1943 Presidential Decree 186/1992 art. 2 par. 1, as amended. Law 2238/1994 art. 48 par.1 as amended. Art 2 of Law 2084/1992. Art 2 of law 4387/2016, as amended by art 22 of law 4670/2020.

³⁴ a) The obligation to provide work; b) This obligation arises from an employment contract or other lawful relationship; c) The obligation to provide dependent work; d) The job is paid.

The amount of benefits is the same as employees, although there is no supplement in case of dependents for the self-employed. Also, taxation and social contribution on benefits are the same. Conversely, the duration of payment is different for self-employed and employees. The Public Employment Service (DYPA) provides an allowance for a period from 3 to 9 months to the self-employed and liberal professionals who interrupt their activities under certain conditions. The unemployment benefit is paid to employees from 5 months to 1 year.

In Greece, the coverage for guaranteed minimum resources for the self-employed is provided through the general scheme that also covers employees. The system is voluntary, and self-employed individuals can 'opt-in' to the scheme. It is residence-based, tax-based and income-tested.

The financing of the scheme is sourced from general taxation.

Dual employment status is not governed by specific regulations in Greece, indicating that there are no distinct provisions based on simultaneous engagement as an employee and self-employed.

The conditions for access to guaranteed minimum resources are the same as those for employees. There are no distinctions in terms of employment or contributions records, ensuring equal access.

The benefits receivable, including amounts, duration, and co-payments, are the same for self-employed individuals as they are for employees.

The tax regime applied to benefits for the self-employed is the same as for employees. Benefits are not taxable for both groups, maintaining consistency in the tax treatment of social benefits. The regulations regarding social contributions payable on guaranteed minimum resources for the self-employed are the same as those for employees.

Sickness and Healthcare Benefits

A general healthcare scheme, called *EOPYY*, covers also the self-employed. For sickness, the self-employed are covered by specific schemes depending on their category (craftsmen, lawyers, engineers, doctors, farmers). Both the healthcare and the sickness scheme are compulsory, insurance-based, and work-based. They are mainly funded by social contributions, even though a minor part is covered by public funding. In terms of social individual contributions, self-employed, including independent professionals, pay a fixed amount each month, choosing between six different insurance categories. These amounts are different from the employees, but no data is available about this disparity. If a person works both as an employee and as self-employed, they should pay the minimum of the second category contribution for self-employed. In practice, the mechanism requires the person to contribute as an employee. If the amount of the above contribution does not cover the level of the second category of self-employed, they pay the difference on their own.

For the entitlement of the benefit, in case the health-related risk materializes, the self-employed must have paid two months of insurance during the previous year before the risk occurs, while for employees only fifty days are required.

For sickness, self-employed and independent professionals should have paid their social security contributions and be insured on the day when the illness occurs. Instead, for employees only 120 days of work are required. There are quantitative and qualitative differences between benefits receivable from employees

and self-employed and among self-employed. There is a 3-month per year cap for the enjoyment of sickness benefits.

Maternity and Equivalent Paternity Benefits

Self-employed are covered by a specific compulsory insurance-based, work-based scheme, which differs from that of employees. It is financed by general taxation and social contributions. The calculation for the amount of contribution is the same as sickness cash benefits and the status for dual employment is not different. Instead, different conditions for entitlement apply. Self-employed mothers are subject to no requirement for certified absence from work, nor 200 days of employment in the previous 2 years as required for employees. However, a prerequisite is eligibility for benefits and contributions clearance certificates.

During childbirth, self-employed women insured with OAEE receive a Maternity Benefit of EUR 150 for 4 months. The same applies to independent women professionals insured with ETAA, though the amount of maternity benefit is EUR 200 for 4 months. For employees, the amount of maternity benefit depends on the estimated day wage of the insurance class they belong to, based on the average wage of the last 30 days of the previous year. In addition, they are entitled to the Child benefit. Both self-employed and employees receive the childbirth benefit to have the costs of obstetrics provided by EOPYY covered. Taxation on benefits does not differ between self-employed and employees.

Invalidity Benefits

Concerning invalidity, self-employed are covered by the general scheme which distinguishes between national pension (compulsory insurance-based and residence-based system) and contributory pension (compulsory insurance-based, work-based system). Consequently, the national pension system is financed by the State budget through general taxation. The contributory pension is financed by social contributions. Self-employed and independent professionals (e.g., lawyers, engineers, doctors, craftsmen) pay a fixed amount each month, chosen among six insurance categories³⁵. If they do not choose an insurance category, they pay the amount of the first insurance category. As an employee, the person pays, in any case, the insurance contributions provided by the law for the employees.

Concerning dual employment status, it should be noted that as an employee, the person pays, in any case, the insurance contributions provided by the law for the employees. As a self-employed, the person pays the amount of the second insurance category, as a minimum requirement. If the contributions paid as an employee are equal to or higher than the amount of the second insurance category the person does not have to pay extra contribution. Otherwise, the person pays the difference up to the amount of the second insurance category. For those with less than five years of insurance as self-employed (special insurance category), the above amount is that of the first insurance category. In case the person (as self-employed) has chosen an insurance category higher than the second one, the

³⁵ Each category has its own insurance Monthly Contribution: 1st EUR 99.78; 2nd EUR 120.61; 3rd EUR 152.41; 4th EUR 191.88; 5th EUR 239.03; 6th EUR 323.45. Special category for those with less than 5 years of insurance: EUR 101.97.

contributions paid as an employee must be equal to or higher than the amount of the chosen category. Conditions of benefits entitlement are the same as employees.

Old-Age Benefits and Survivors' Benefits

Concerning old-age and survivors' benefits, the general scheme is the same as the invalidity one. Self-employed and independent professionals (e.g., lawyers, engineers, doctors, craftsmen) pay a fixed amount each month, chosen among 6 insurance categories³⁶. The dual employment status is regulated the same way as the invalidity branch. The benefits regime and the taxation of benefits are the same as employees.

Benefits in Respect of Accidents at Work and Occupational Diseases

There is no specific insurance against accidents at work and occupational diseases. These risks are covered by the insurance systems for healthcare, invalidity and survivors. For all scheme details, one can refer to the healthcare branch. As for the benefits, it should be remarked that only the self-employed (ex OAEE-craftsmen) receive a monthly allowance for 4 months in the case of industrial injury. The allowance amounts to three times the monthly contributions paid by the insured at the time the accident occurred. The amount and duration of invalidity pensions are the same as for employees.

Strengths and Vulnerabilities

In summary, the social protection scheme for self-employed individuals in Greece is characterized by certain strengths. Firstly, it ensures inclusion for a significant portion of the self-employed population and offers flat-rate contributions, making participation simple and affordable. For instance, a monthly contribution of EUR 10 grants access to unemployment benefits, which is more accessible than accessing complex contribution structures. Moreover, the scheme provides maternity benefits for self-employed women, supporting them during childbirth without requiring certified absence from work.

However, vulnerabilities exist, particularly regarding eligibility criteria, entitlement conditions, benefit durations, and the absence of specific coverage for occupational risks. The legislation lacks clear criteria for distinguishing self-employed individuals from employees, leading to challenges in determining eligibility for benefits. The absence of insurance against work-related accidents and occupational diseases poses a significant vulnerability, especially for those in high-risk occupations, as it fails to provide financial protection in such instances.

Furthermore, the system's approach to dual employment, where individuals work both as employees and self-employed, can be complex, involving intricate calculations and potential additional contributions. This complexity may discourage individuals from engaging in dual employment and could result in errors or inconsistencies in contributions.

³⁶ Each category has its own insurance. Monthly Contribution: 1st EUR 169.95; 2nd EUR 203.94; 3rd EUR 258.76; 4th EUR 325.65; 5th EUR 404.59; 6th EUR 548.23. Special category for those with less than 5 years of insurance: EUR 101.97.

Hungary

General Overview

The Hungarian social security system for the self-employed is based on Act CXXII of 2019, concerning entitlements to social security benefits and their funding. While labour law lacks a specific legal definition for self-employed individuals, Act CXXII of 2019 specifically refers to private entrepreneurs.

In terms of social protection, the coverage for the self-employed does not, in general, differ from that of employees and there are no relevant disparities within the self-employed category.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Concerning unemployment, the self-employed are covered by the general scheme which also covers employees. Protection is based on a compulsory insurance-based, work-based system and is financed by social contributions and tax.

There is no specific guarantee of minimum resources based on a non-contributory scheme (e.g. universal basic income). However, there are specific benefits provided to ensure a minimum standard of living both for people in active or old age.

Sickness and Healthcare Benefits

Concerning healthcare and sickness, the self-employed are covered by the general scheme which also covers employees. Protection is based on a compulsory insurance-based, work-based system, financed by social contributions and tax. Contributions for self-employed are calculated based on the income they declare (or the national minimum wage) and are paid monthly.

With the exception of the tax base and the calculation of contributions, there are no major differences compared with employees.

Maternity and Equivalent Paternity Benefits

As for sickness and healthcare benefits, the self-employed are covered by a general scheme applicable to all workers. Protection is based on a compulsory insurance-based, work-based system, financed by social contributions and tax and the regulation is the same as sickness benefits.

Invalidity Benefits

Invalidity benefits are provided by a compulsory insurance-based and work-based system, financed by social contributions and tax. The other features are similar to the sickness scheme as described above.

Old-Age Benefits and Survivors' Benefits

Old-age and survivors' benefits schemes are aligned with those covering employees and their functioning mirrors that of the previously described benefits.

Benefits in Respect of Accidents at Work and Occupational Diseases

Similarly, benefits in respect of accidents at work and occupational diseases based on the mentioned regulation are structured in the same way: compulsory insurance-based and work-based system, financed by social contributions and tax, according to the scheme already described above.

Strengths and Vulnerabilities

Social protection in Hungary is characterized by its comprehensive and generalized nature, operating through a compulsory system. Notably, there are no particular differences between the social protection extended to the self-employed and that provided to employees. However, it should be noticed that international observers have criticized the 2011 Constitution for potentially weakening the legal framework of social protection (Hajdú, 2016). This is particularly significant when evaluating both the trend of social protection and the effectiveness of social benefits.

Italy

General Overview

The Italian social protection system for the self-employed is marked by a diversity of regulatory acts. Historically, the system has been predominantly centred around providing social protection to employees. According to the legal definition, a self-employed is “a person who undertakes, in return for remuneration, a work or a service using predominantly his or her labour, without the ties of subordinate status towards the contractor”.

The extension of benefits to the self-employed has evolved unevenly over time, both in terms of worker categories and the types of benefits offered. Consequently, this has resulted in a complex and differentiated framework.

Three main schemes govern the social benefits for the self-employed. First, there are various dedicated funds for specific liberal professions (*Casse dei liberi professionisti*), including healthcare professions, lawyers, architects, and engineers, among others. Second, the special scheme (*Gestione speciale*) of the General Compulsory Insurance (*Assicurazione generale obbligatoria*, AGO), which is the same scheme covering employees, also includes categories of self-employed workers such as tradesmen, artisans, and farmers (traditional self-employed). Third, the separate pension scheme (*Gestione separata*) applies to the general population of self-employed workers who do not have a specific professional fund (including the new self-employed).

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Concerning unemployment, the level of protection differs based on the scheme under which the self-employed fall.

For those who are registered in the special scheme under AGO, there is no protection system. The self-employed registered in the *Gestione separata* having an annual income above EUR 5,000, are covered by a compulsory insurance-based scheme, financed by social contributions. There are different types of benefits depending on the kind of worker (VAT registered or para-subordinate; respectively *ISCRO* and *Dis-Coll*).

ISCRO provides a monthly contribution, for a maximum of six months, for VAT-registered workers in *Gestione separata*, between a minimum of EUR 275.38 and a maximum of EUR 881.23. There are two stringent entry requirements as of 2023. The worker must have declared an income of less than EUR 8,972 in the year preceding the application and the declared income must be 50% lower than the average of the three years preceding the application.

The guarantee of minimum resources is based on a universal system, means-tested, ensuring consistency across various types of workers.

Sickness and Healthcare Benefits

Concerning healthcare, the self-employed are covered by the universal scheme which also covers all people residing in Italy. Healthcare is based on a

compulsory and residence-based system (*Servizio sanitario nazionale*, SSN), financed by general taxation.

The provision of sickness benefits varies depending on the scheme.

Self-employed individuals registered in the special scheme under AGO do not have a dedicated protection system for sickness benefits. Meanwhile, those registered in the *Gestione separata* scheme with an annual income exceeding EUR 5,000 can avail themselves of sickness benefits through a mandatory insurance-based system, funded by social contributions. This coverage encompasses sick leave (*indennità di malattia*) and hospitalization (*degenza ospedaliera*), with the benefit amount contingent on the contributed amounts.

Self-employed registered in *ad hoc* funds (liberal professions) have access to sickness benefits according to the specific rules established by law for each professional's association.

Maternity and Equivalent Paternity Benefits

Sickness benefits for self-employed individuals are determined by their respective schemes, with a crucial distinction between benefits in kind and benefits in cash.

Benefits in kind, such as healthcare coverage, fall under the universal residence-based healthcare system.

Benefits in cash, such as maternity leave (*Assegno congedo di maternità*) spanning 5 months, are accessible through both the AGO's special schemes and the *Gestione separata* scheme, following an insurance-based and compulsory system, financed from social contributions. The eligibility criteria for sickness benefits, including a minimum income threshold, are uniformly applied.

It is noteworthy that there is no paternity leave available for self-employed individuals, whereas employees are entitled to a 10-day paternity leave.

For self-employed individuals affiliated with specific funds tailored to liberal professions, access to maternity benefits depends on the distinct regulations stipulated by law for each professional association.

Invalidity Benefits

Invalidity benefits are covered by all schemes (AGO, *Gestione separata*, and the different funds of professional associations). The schemes are compulsory and insurance-based.

While contributions are calculated based on a percentage of the pensionable annual income, the rates change depending on the various categories of self-employed.

Old-Age Benefits and Survivors' Benefits

Old-age and survivors' benefits are covered by all schemes (AGO, *Gestione separata* and the different funds of professional associations). The schemes are compulsory and insurance-based. There are some differences in both retirement age and insurance record conditions between employees and the self-employed in relation to both old age and early pensions.

Benefits in Respect of Accidents at Work and Occupational Diseases

The majority of the self-employed fall under a compulsory insurance scheme which also covers employees, operated by the National Insurance Institute for Employment Injuries (*Istituto Nazionale contro gli Infortuni sul Lavoro – INAIL*). The scheme is financed through premiums paid by the insured.

However, it's important to note that liberal professions and certain specific categories are excluded from this scheme. In such instances, the presence or absence of specific coverage is determined by the legal provisions established for each sector.

Strengths and Vulnerabilities

The social protection framework of the self-employed in Italy is marked by distinct features. Historically, social security was designed for employees. The gradual inclusion of self-employed workers followed different paths. This resulted in highly varied protection for each category. While this approach created tailored forms of protection, attempts to streamline the system have failed. Therefore, despite a series of attempted reforms aiming at rationalising the system, overall protection is still highly fragmented, revealing persistent gaps.

Efforts to fully bridge the gap between employed and self-employed workers have seen success in certain areas, notably healthcare, through the implementation of universal services. Despite these strides, challenges persist in achieving a comprehensive and unified system of social protection for all workers.

Ireland

General Overview

In Ireland, the main legislation outlining social protection coverage for the self-employed is the Social Welfare Consolidation Act 2005. The legal definition of self-employed includes all working relationships that do not fall under insurable employment. Employment is defined as a contract of service. In absence of a contract of service, which identifies an insurable employment, the worker is classified as self-employed.

To fall in the category of self-employed various factors can be considered: 1) owning his or her own business; 2) being exposed to financial risk by having to bear the cost of making good faulty or substandard work carried out under the contract; 3) assuming responsibility for investment and management in the enterprise; 4) having the opportunity to profit from sound management in scheduling and performing engagements and tasks; 5) exercising control over the what, how, when, and where of the work, including personal involvement; 6) being free to hire other people, on his or her terms, to perform agreed work; 7) providing services to more than one person or business simultaneously; 8) supplying materials for the job; 9) providing equipment and machinery necessary for the job, other than the small tools of the trade or equipment which in an overall context would not be an indicator of a person in business on their own account; 10) having a fixed place of business for storing materials and equipment; 11) costing and agreeing upon a price for the job; 12) providing personal insurance cover such as public liability insurance; 13) controlling the hours of work in fulfilling the job obligations.

The law in Ireland does not acknowledge types of self-employed, except for minor categories, such as fishermen. Similarly, the legislation does not provide for “new” forms of self-employment.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Jobseeker’s Benefit for the Self-Employed (JBSE) is a weekly payment from the Department of Social Protection (DSP) to self-employed ceasing work involuntarily. It is a compulsory, residence and insurance-based system. Social Insurance is funded by insurance contributions from employees, employers, and the self-employed.

The earnings base for calculating contributions aligns with tax purposes and is calculated weekly for employees and annually for the self-employed. Self-employed pay social insurance at a rate of 4% on all earnings. If annual income is over EUR 5,000, a self-employed person must pay 4% of gross income, with a minimum payment of EUR 500. If annual income is under EUR 5,000, a self-employed person is exempt from paying the social insurance but may pay EUR 500 as a voluntary contributor.

To qualify for jobseeker’s benefit, self-employed individuals need to meet

specific conditions. They must have at least 156 weeks of self-employed contributions or at least 104 weeks of paid employment since starting work, along with 52 weeks of contributions paid in the relevant tax year. Additionally, they must cease all self-employment activities. However, individuals can work as employees for up to three days each week while still receiving jobseeker's benefit.

Conditions regarding benefit amounts, duration, co-payments, taxation, and social contributions are the same as for employees.

Guaranteed minimum resources are covered by the general scheme, based on residence and financed by a mix of social insurance and taxation. The conditions for accessing benefits/services, as well as benefit amounts, duration, and co-payments, are the same as for employees. Benefits are not taxable, and contributions are not payable on benefits, mirroring the situation for employees.

Sickness and Healthcare Benefits

In Ireland, the self-employed are covered by the same healthcare general scheme as employees, with some exceptions. The scheme is compulsory, residence and tax-based, financed by general taxation. Like employees, there are no specific conditions applied to the self-employed. The amounts and duration of the benefits are the same as for employees. However, the self-employed are not, in general, covered for cash sickness benefits.

The income support available to the self-employed in the case of sickness is granted according to the regulations of the general social assistance system (see Guaranteed Minimum Resources). The social assistance system is funded by general taxation. The contribution system is defined in the same way as for tax purposes. Self-employed pay a rate of 4% on all earnings. To be liable for social insurance contributions, a self-employed person must earn more than EUR 5,000 per annum from their economic activities.

On the amounts, duration and co-payments regime, while the rate of payment and conditions entitlement for cash sickness benefit are the same as for employed persons, the duration of payment is limited to one year for self-employed compared to up to two years (in general) for employed persons. The waiting period consists of 3 days (same as for employees). The taxation and social contributions on benefits are the same as for employees. Contributions are not payable on benefits.

Maternity and Equivalent Paternity Benefits

In Ireland, the self-employed are covered by the general social insurance schemes for maternity and paternity benefits. It is a compulsory residence and insurance-based scheme, with funding derived from insurance contributions from employees, employers and the self-employed.

Regarding the conditions for coverage, self-employed individuals must earn more than EUR 5,000 per year from self-employment to be liable for self-employed social insurance contributions. In cases of dual employment, if the self-employed do not meet the insurance conditions and were previously in insurable employment, they can utilize their contributions from that employment to qualify for maternity or paternity benefits.

For coverage, self-employed individuals must be in insurable employment and meet one of the following criteria:

1. Have 52 weeks of self-employed insurance contributions paid in the relevant tax year.
2. Have 52 weeks of self-employed insurance contributions paid in the tax year before the relevant tax year.

Maternity and paternity benefits, as well as taxation and social contributions on such benefits, are the same for both employees and the self-employed.

Invalidity Benefits

In terms of invalidity benefits, self-employed workers are covered by the social insurance invalidity pension scheme. It is a compulsory work and insurance-based scheme. Social insurance is funded by insurance contributions from employees, employers, and the self-employed. The earnings base on which contributions are calculated is defined in the same way as for tax purposes. Self-employed contributions amount 4% of all earnings. A self-employed person must earn more than EUR 5,000 per annum from self-employment in order to be liable to pay self-employed social insurance contributions. Taxation and social contributions on benefits are the same as for employees. Invalidity pension is subject to taxation and contributions are not payable on the benefits received.

Old-Age Benefits and Survivors' Benefits

The self-employed can qualify for the State Pension Contributory at the age of 66, following the same criteria as employed persons. It is a compulsory insurance-based system characterized by two branches: state pension contributory is work-based and state pension non-contributory is residence-based (for state pension non-contributory refer to guaranteed minimum resources). Social insurance is funded by contributions from employees, employers, and the self-employed.

Self-employed persons contribute to their insurance at a rate of 4% on all earnings. A self-employed person must earn more than EUR 5,000 per annum from self-employment to be liable to pay self-employed social insurance contributions. All applicants, including the self-employed, must have paid at least ten years' social insurance contributions in order to qualify for the state pension contributory. Qualifying conditions for accessing benefits are the same for employees or self-employed. Special entry rules apply to self-employed individuals. The amounts and duration are the same as for employees. Taxation and social contributions on benefits are the same as for employees. Benefits are subject to tax. Contributions are not payable on benefits.

For survivors' benefits, self-employed people can qualify for widow's, widowers, or surviving civil partner's (contributory) pension on the same basis as employed persons. It is a compulsory work and insurance-based system. The social insurance regime is the same as for old-age benefits.

To qualify for widow's contributory pension and surviving civil partner's contributory pension, 260 weeks of paid insurance contributions are required. The amounts, duration, taxation, and social contributions on benefits are the same as for employees. Benefits are subject to tax and contributions are not payable on benefits.

Benefits in Respect of Accidents at Work and Occupational Diseases

In Ireland, the self-employed do not have social protection in respect of accidents at work and occupational diseases.

Strengths and Vulnerabilities

Ireland is characterized by a limited universal social protection system for the self-employed, mostly complemented by means-tested benefits. Healthcare is a general system, even if the level of coverage depends on income. Both the self-employed and employees are entitled to receive pension, survivor and maternity benefits, even if the conditions for coverage are in part different. If workers wish for more comprehensive insurance coverage, they can opt for private insurance on a voluntary basis. Means-tested invalidity and unemployment benefits (jobseekers' allowance) are available. The main vulnerabilities lie in the general lack of sickness cash benefits or occupational injury benefits for self-employed workers. Additionally, there is a lack of distinction between various types of self-employed workers and the system does not take into account 'new' forms of self-employment.

Latvia

General Overview

Latvia's legislation "on State Social Insurance" extends the social protection to self-employed workers. In Latvia, a self-employed person is legally defined as someone who earns income (or revenue) and: a) engages in independent work; b) resides permanently in Latvia and receives a royalty (copyright or neighbouring rights remuneration), excluding heirs to copyright and successors in interest to other copyrights; c) holds certain professional roles such as sworn notary, advocate or auditor, a doctor in practice, a pharmacist in practice, a veterinary practitioner, an optometrist in practice or is another natural person who permanently resides in Latvia and who has registered as an economic activity income tax payer. Under the definition of self-employed also fall owners of a farm or fishing undertaking without employment relations with the administrative authority and persons whose permanent place of residence is in the Republic of Latvia and whose work is remunerated from foreign technical assistance resources and loans from international financial institutions granted to the Republic of Latvia. Finally, the category comprises people who serve as a sworn bailiff or operate as an individual merchant.

Latvian social protection legislation does not acknowledge different types of self-employed workers or new forms of self-employment.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

The self-employed lack coverage against unemployment, and those who combine self-employment with employee status are only covered under the latter.

Regarding guaranteed minimum resources, self-employed individuals fall under the general scheme, which is compulsory, residence-based, tax-funded, and means-tested, with additional financing from other public funds such as municipal tax revenues and financial equivalence funds of municipalities. There are no specific regulations regarding coverage and dual employment status. However, other conditions such as access to benefits, taxation, and social contributions on benefits are identical to those for employees.

Sickness and Healthcare Benefits

Regarding healthcare benefits, self-employed individuals are covered by the general scheme, which operates as a compulsory system based on residence and taxation. It is financed through general taxation, and the conditions for eligibility for benefits (including amounts, duration, and co-payments) mirror those for employees.

In terms of sickness cash benefits, self-employed workers are covered by the general scheme, which functions as a compulsory social insurance system based on work. It is funded by social insurance contributions, with the income base declared by the self-employed following the regulations set by the Cabinet of Ministers. The calculation basis and rates differ between self-employed individuals and

employees.

There are no specific qualifying conditions for self-employed individuals regarding coverage. Those who combine self-employment with paid employment contribute separately as both an employee and a self-employed individual. However, the conditions for accessing benefits, as well as the amounts, duration, co-payments, taxation, and social contributions, remain the same as for employees.

Maternity and Equivalent Paternity Benefits

The self-employed are covered by the general scheme, which operates as compulsory social insurance work-based scheme. This scheme is funded by social insurance contributions and follows a similar structure for sickness benefits. It also aligns with the conditions for coverage, including situations where an individual works both as an employee and as self-employed.

All other conditions of the regime are the same as employees.

Invalidity Benefits

The self-employed are covered by the general scheme, which operates as compulsory social insurance work-based scheme. The financing is by social insurance contributions and the income base is declared by the self-employed according to the provisions of the same Regulation of the Cabinet of Ministers. Calculation basis and rates are different for self-employed and employees.

Those combining self-employment with paid employment pay separately contributions as an employee and as self-employed. All other conditions of the regime are the same as employees.

Old-Age Benefits and Survivors' Benefits

Regarding the old-age and survivors' benefits, the self-employed are covered by the general scheme, which operates as a compulsory social insurance work-based scheme. The scheme is financed by social insurance contributions and the contributory base is the income declared by the self-employed according to the ministerial regulation. Calculation basis and rates are different for self-employed and employees.

There are no specific qualifying conditions for coverage for self-employed, but the contribution rate is reduced for those whose monthly income is below the minimum wage amount. Individuals who engage in both self-employment and paid employment are required to make distinct contributions for each role, one as an employee and the other as a self-employed individual. The other conditions are the same as for employees.

Benefits in Respect of Accidents at Work and Occupational Diseases

Self-employed are not covered against the risk of accidents at work and occupational diseases. Dual employment workers are covered only as employees.

Strengths and Vulnerabilities

In Latvia, self-employed workers lack coverage under any social security

scheme for occupational accidents, workplace diseases, and unemployment benefits, unless they engage in paid employment alongside self-employment, in which case they are covered as employees.

Latvia's social insurance system is now fully individualized, ensuring that each person's contributions are recorded in a separate account. This safeguards against the loss of previous rights when transitioning from employee status to self-employment. Personal social security accounts attribute obtained rights to individuals, rather than employment contracts, preserving previously accumulated benefits.

To improve transparency and access to social protection measures, Latvia launched the "Unified Web Platform for Government and Local Government Entities" project in 2018. This initiative aims to integrate information websites into a single platform, slated for completion by 2025.

Lithuania

General Overview

In Lithuania, the main legislation specifying social protection coverage for the self-employed is the Law on State Social Insurance (Act No. XII-2508). The legal definition of self-employment in social protection legislation refers to individuals engaged in an activity not characterized by subordination. Self-employed include owners of individual enterprises, members of small partnerships, full members of general partnerships and limited partnerships, legal professionals, persons holding business certificates, as well as farmers and their partners, members of households, and those receiving income from copyright contracts, sports, or performance activities.

Coverage of the self-employed by the social protection system is generally the same as for employees, except for specific risks like unemployment, accidents at work, and occupational diseases. Different types of self-employed are distinguished in the legislation, with varying levels and kinds of protection provided based on their specific category. For example, owners of individual enterprises, members of small partnerships, and full members of partnerships are insured against unemployment and can receive unemployment benefits. Persons holding business certificates are insured against pension social insurance and can access benefits like old-age pension, invalidity pension, widow's/widower's pension, and orphan's pension.

Social protection legislation in Lithuania does not recognize "new" forms of self-employment, such as platform workers, mini-self-employed, solo self-employed, or economically dependent self-employed.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Self-employed who are owners of individual enterprises, members of small partnerships, and full members of partnerships are covered by the general unemployment benefits scheme, which is the same scheme that covers employees. There is also an unemployment assistance program for unemployed self-employed persons. The system is a compulsory insurance scheme based on work and financed through social contributions. Contributions are based on a smaller or larger amount than the minimum monthly wage. The social insurance record shall be adjusted proportionately, with a minimum contribution base set at the minimum monthly wage (EUR 840). The maximum yearly contribution cannot exceed 43 times the country's average wages for the previous year.

There are no specific conditions for self-employed to join the unemployment benefits scheme, and there are no specific regulations regarding dual employment status. Contributions are paid separately for each insured economic activity. A single benefit is paid based on the sum of earnings from all insured economic activities. The conditions for entitlement to receive unemployment benefits, including the amount, duration, and co-payments, are the same for self-employed as they are for employees. Taxation on benefits for the self-employed is the same

as for employees, with no income tax on benefits.

Additionally, self-employed in Lithuania are also covered by the general guaranteed minimum resources scheme, which is a residence-based system financed through general taxation. There are no specific qualifying conditions, dual employment regulations, or social contributions on benefits for this scheme, and the benefits and taxation are the same as for employees.

Sickness and Healthcare Benefits

In Lithuania, self-employed are covered by the general healthcare scheme, the same scheme that covers employees. It also includes sickness benefits. The healthcare system is compulsory and universal, based on residency and financed primarily through social health insurance contributions. In general, the minimum contribution base is the minimum monthly wage (EUR 840); the maximum sum per year cannot exceed 43 times the country's average wages for the previous year. Contributions for self-employed individuals are 6.98% of their income base. There are no specific qualifying conditions for self-employed individuals to access the sickness and healthcare system. No specific regulations exist for individuals who work both as employees and as self-employed. Contributions are paid separately for each insured economic activity. A single benefit is paid based on the sum of earnings from all insured economic activities.

The conditions for entitlement to receive benefits/services are the same as for employees. Benefits and services, including the level of benefits, their duration, and any co-payments, are the same as for employees. Concerning specifically sickness, the waiting period before receiving the service for self-employed is two days.

Both for employees and self-employed the benefit will be taxed as part of income.

Maternity and Equivalent Paternity Benefits

The scheme covering maternity and paternity for the self-employed is the same as for sickness benefits and it also covers employees. This is a compulsory insurance system based on work, and it is financed through social contributions.

There are no specific conditions for self-employed individuals to join this scheme, and the regulations regarding dual employment status are the same as for sickness benefits, therefore contributions are paid separately for each insured economic activity. However, a single benefit is paid based on the sum of earnings from all insured economic activities. The conditions for entitlement to receive maternity and paternity benefits, including the amount, duration, and co-payments, are the same for self-employed individuals as they are for employees.

Taxation on benefits for the self-employed is the same as for employees, with income tax applied to benefits. The regulations for social contributions payable on benefits are also the same as for employees, except for healthcare, where contributions are applicable.

Invalidity Benefits

The general invalidity benefits scheme covering the self-employed is the same that covers employees. This scheme is a compulsory insurance system based

on work, and it is financed through social contributions. Contributions are calculated with the same mechanism as healthcare branch.

There are no specific conditions for self-employed individuals to join this scheme, and there are no specific regulations regarding dual employment status. The conditions for entitlement to receive invalidity benefits, including the amount, duration, and co-payments, are the same for self-employed individuals as they are for employees.

Taxation on benefits for the self-employed is the same as for employees, with no income tax on benefits. Social insurance contributions on benefits are not applicable for self-employed individuals and are the same as for employees.

Old-Age Benefits and Survivors' Benefits

Concerning the old-age and survivors' benefits scheme, they are part of the general scheme also covering employees. It operates as compulsory insurance system based on work. The old age pension is financed through a mix of contributions and taxation. The second pillar pension scheme for old-age has an auto-enrolment mechanism with possibility to refuse to participate, but when the person chooses to participate cannot opt-out. The widow's/widower's pension is financed by social insurance contributions, while the orphan's pension is financed the same as an old age pension through social insurance contributions and income tax.

Contributions are calculated as the healthcare system.

There are no specific conditions for self-employed individuals to join these schemes, and there are no specific regulations regarding dual employment status. The conditions for entitlement to receive survivors' benefits and old-age benefits, including the amount, duration, and co-payments, are the same for self-employed individuals as they are for employees.

Taxation on benefits for the self-employed is the same as for employees, with no income tax on benefits.

Benefits in Respect of Accidents at Work and Occupational Diseases

Self-employed individuals in Lithuania are not covered by a public scheme for accidents at work and occupational diseases. Instead, they have the option to obtain private insurance against such risks.

Strengths and Vulnerabilities

Lithuania's social protection schemes offer a comprehensive system that covers the self-employed for various branches, including unemployment benefits, sickness and healthcare benefits, maternity and paternity benefits, invalidity benefits, old-age benefits, and survivors' benefits. The social protection system in Lithuania recognizes different categories of self-employed, such as owners of individual enterprises, members of partnerships, legal professionals, and those engaged in agricultural activity. Furthermore, self-employed in Lithuania do not face specific qualifying conditions to access social protection schemes. This inclusive approach ensures that a wide range of self-employed can benefit from the system.

However, among the vulnerabilities of the system, it should be underlined the lack of recognition for new forms of self-employment, potentially leaving platform workers, mini-self-employed, and economically dependent self-employed without adequate coverage. Furthermore, self-employed are not covered by a public scheme for accidents at work and occupational diseases. Instead, they must obtain private insurance, which may result in varying levels of coverage and potentially higher costs. In Lithuania, contributions are calculated based on a minimum monthly wage, which may not accurately reflect the earnings of some self-employed. This lack of flexibility could lead to overpayments or underpayments. Finally, the absence of specific regulations for dual employment may not fully address the economic complexity of the condition.

Luxembourg

General Overview

In Luxembourg, social protection for the self-employed is regulated by the Social Security Code (*Code de la sécurité sociale*).

Individuals fall under the definition of self-employed if they carry out any professional activity regulated by the Luxembourg Chamber of Trades, Chamber of Commerce or Chamber of Agriculture. Otherwise, they are self-employed if they carry any professional activity that is predominantly intellectual or non-commercial. In any case, the legislation does not distinguish between different types of self-employed. Furthermore, “new” forms of self-employment are not recognized.

Self-employed persons are covered by the general social protection scheme with some specific variations, mainly concerning the setting of the contribution base and the conditions for access to sickness and unemployment benefits.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Self-employed workers are covered by the general scheme (Compulsory insurance-based, work-based system). Unemployment benefits are financed by a special tax and, additionally, state subsidies. Furthermore, the Employment Fund, supplied by the State budget, also finances the system.

Workers falling under a dual employment status are subject to a two-year qualifying period. The two years comprise the periods during which the worker contributed to a national insurance scheme as an employee, provided that the self-employed worked independently for at least six months prior to applying for unemployment benefits.

As per the eligibility criteria for accessing benefits, self-employed individuals facing cessation of work due to economic or financial problems, medical reasons, and the actions of a third party or force majeure can apply for unemployment benefits upon registering as jobseekers. They are required to demonstrate at least two years of mandatory national insurance as a self-employed person. Notably, in calculating the two-year qualifying period, the periods during which the person contributed to a national insurance scheme as an employee can be considered, provided the self-employed status has been maintained for at least six months prior to applying for unemployment benefits.

Jobseekers must be resident in Luxembourg at the time of work cessation. Self-employed workers must register as jobseekers within six months of stopping working. If granted the full unemployment benefit, the self-employed worker is entitled to benefits amounting to 80% of the income that was used as the contribution base for the pension fund during the previous financial year (85% when associated with family dependents).

The full unemployment benefit cannot be more than the limits laid down in the general scheme, nor can it be less than 80% of the minimum social wage. The

applicable ceilings are the same as for employees. The maximum duration of compensation is 12 months (but may be extended). Taxation and social contributions are the same as for employees.

Concerning guaranteed minimum resources, the self-employed are covered by the general scheme. It is a compulsory tax-based, residence-based and means-tested system, financed by general taxation. There are no specific qualifying conditions for self-employed coverage. Instead, the same conditions applicable to employees are extended for access to benefits. Correspondingly, self-employed individuals enjoy the same benefits, taxation policies, and social contribution requirements as their employee counterparts.

Sickness and Healthcare Benefits

The general scheme covers the self-employed for both healthcare and sickness cash benefits. The national scheme in Luxembourg relies on a compulsory social insurance-based, work-based system. Exemption from insurance is possible upon request if the income from the activity does not exceed one-third of the minimum social wage per year. This is the general rule, even though for some categories a different regime is applied.

Healthcare and sickness cash benefits are financed by social contributions and state subsidies. The conditions for entitlement to receive healthcare and sickness benefits and the quality and duration of benefits are the same as for employees. However, in the event of sickness, the self-employed are subject to a waiting period. Self-employed persons voluntarily enrolled in the Employers' Mutual Insurance Association may nevertheless receive compensation of 80% of their contributory income during the waiting period.

The benefits or services for self-employed persons are received on the same terms as for employees. However, the benefit calculation for self-employed individuals is determined by the declared qualifying period, while for employees, it's based on the salary earned prior to the sickness leave.

Maternity and Equivalent Paternity Benefits

Maternity benefits for self-employed workers fall under the general scheme, operating on a compulsory social insurance-based, work-centric system. In cases analogous to sickness and cash benefits, it is feasible to seek exemptions. Unfortunately, self-employed individuals are not entitled to paternity benefits. The funding for maternity benefits is incorporated into the health-maternity insurance budget. Regarding paternity leave, the first two days are covered by the employer, while from the third day onward, funding is sourced from the State budget.

There are no specific qualifying conditions for self-employed. Conditions for access to benefits and services and taxation and social contributions are the same as for employees.

Invalidity Benefits

Concerning invalidity benefits, the self-employed are covered by the general scheme, sharing the same conditions as healthcare and sickness benefits. Financing for invalidity benefits is derived from the collective funding of the invalidity,

old age and survivors' branches. The sources of financing come from contributions from employees, employers and the State. No specific qualifying conditions are required for self-employed. Conditions for access to benefits and services and taxation and social contributions are the same as for employees.

Old-Age Benefits and Survivors' Benefits

Old-age and survivors' benefits for the self-employed are covered by the general scheme, based on compulsory social insurance, work-based system sharing the same conditions for exemptions as healthcare and sickness benefits. Financing comes from overall funding of the invalidity, old age and survivors' branches. The source of financing comes from contributions from employees, employers and the State.

With the exception of farmers, which fall out of the present analysis, the other categories of self-employed workers face a contribution base for old-age benefits which is set according to the professional income as defined by the tax legislation. The revenue for the preceding tax year, as communicated by the tax administration, is taken into account.

There are no specific qualifying conditions for coverage for self-employed to qualify for old-age benefits. Conditions to access benefits are the same as for employees. The periods of self-employment prior to the creation of the pension schemes are taken into account to access benefits for up to 15 years in the form of equivalent periods. Taxation and social contributions on benefits are the same as for employees.

There are no specific qualifying conditions for accessing survivors' benefits for the self-employed. Conditions for accessing benefits and services and taxation and social contributions regimes are the same as for employees.

Benefits in Respect of Accidents at Work and Occupational Diseases

Benefits in respect of accidents at work and occupational diseases for the self-employed are covered by the general scheme. It is a compulsory social insurance-based, work-based system (the same conditions of exemptions from insurance for healthcare and sickness benefits are applied). The benefits are financed by social contributions. Self-employed do not face any specific qualifying conditions.

Conditions for accessing benefits and services and taxation and social contributions are the same as for employees.

Strengths and Vulnerabilities

In Luxembourg, social protection for the self-employed workers closely resembles that of employees. They are covered in case of sickness, parenting, occupational diseases, old-age and death, including unemployment for self-employed individuals who register as jobseekers.

Sickness benefits for the self-employed entail waiting periods, necessitating the accumulation of contributions over a specific duration before becoming eligible for benefits. Additionally, self-employed individuals have the option to voluntarily enrol in the Employers Mutual Insurance Scheme to safeguard against income loss due to sickness.

Concerning pension contributions, self-employed individuals can tailor their payments as a percentage reflective of their income, resulting in lower contributions for those with lower incomes.

If self-employed individuals earn less than one-third of the social minimum wage, they are exempt from paying contributions. Luxembourg stands out for its unified and comprehensive scheme for guaranteed minimum income, which applies equally to self-employed individuals and employees, without specific qualifying conditions. However, vulnerabilities stem from the lack of norms differentiating between types of self-employed persons and the precarious situation of dual employment workers. Additionally, the absence of a legal definition for "new" forms of self-employment presents another issue to address.

Malta

General Overview

The Maltese social security system generally offers similar benefits to both self-employed and employees.

While the social security legislation does not provide an autonomous definition of a self-employed worker, Maltese labour law (Employment and Industrial Relations Act – EIRA) defines an employee as “any person who has entered into or works under a contract of service, or any person who has undertaken personally to execute any work or service for, and under the immediate direction and control of another person, including an outworker, but excluding work or service performed in a professional capacity or as a contractor for another person when such work or service is not regulated by a specific contract of service”.

In Malta, Chapter 138 of the Social Security Act makes a distinction between two categories: “self-occupied” and “self-employed”. The “self-occupied” category includes individuals engaged in any economic activity with earnings exceeding 910 EUR per year, while “self-employed” refers to individuals under 65 years of age, ordinarily resident in Malta, who are neither employed nor self-occupied (persons who receive income from rents, investments, capital gains, or other forms of income). For the purpose of this analysis, only the “self-occupied” category will be considered. Certain benefits, such as unemployment and maternity leave, are accessible to the “self-occupied” category but not to the “self-employed” category. However, from now on we will use the term “self-employed” throughout, as it is more commonly used in Malta and aligns with terminology used in other Member States.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Self-employed individuals, similar to employees, subject to a minimum contribution, are covered under the general scheme for unemployment benefits in the event that involuntary unemployment lasts for up to 156 days.

There is no universal minimum income, but a set of benefits is available based on the specific category of beneficiaries, while some are specifically designed for households. A minimum age-related pension is given also to those lacking of contributions.

Sickness and Healthcare Benefits

Self-employed workers needing healthcare and sickness benefits are covered by the general scheme encompassing all Maltese residents. The system is compulsory and insurance-based and is funded by social contributions and general taxation. Contributions for self-employed are calculated based on the declared annual net profit or income for tax purposes from the previous year.

The access to public health services is practically universal. Sickness benefits can be accessed from the fourth day, and this is a reason for inequality with employees, whereas their employer covers the first three days.

Maternity and Equivalent Paternity Benefits

Similar to sickness and healthcare benefits, self-employed workers are covered by a general scheme applicable to all workers, financed by social contributions and general taxation. The system distinguishes between the general maternity benefit, which is residence-based, and the maternity/adoption leave benefit which is, instead, insurance-based, whose contributions are calculated on the basis of the previous year's income. Self-employed receive a higher rate of maternity benefit than employees, while the leave benefit is the same.

Paternity benefits are not available to the self-employed, while employees benefit from a minimum term of leave (2 days).

Invalidity Benefits

Self-employed individuals are covered for invalidity benefits under the same general scheme as employees. It operates under a compulsory social insurance-based model, financed by social contributions and general taxation. All other features, such as the amount of contribution, do not differ from the benefits already described.

Old-Age Benefits and Survivors' Benefits

Concerning old-age and survivors' benefits, the coverage system is the same as the previous one: it involves a general insurance-based scheme covering both employees and self-employed and financed by social contributions and general taxation. Contributions are calculated based on income and age, with no particular distinctions between the two categories of workers.

Benefits in Respect of Accidents at Work and Occupational Diseases

Coverage for accidents at work and occupational diseases mirrors the general scheme for both self-employed and employees, involving a compulsory insurance-based system, financed by social contributions and general taxation.

Strengths and Vulnerabilities

The Maltese social security system has undergone recent reforms, resulting in overall positive model. Particularly noteworthy are the benefits extended to the self-employed, aligning with the Council's 2019 Recommendation³⁷. In Malta, benefits are provided through compulsory schemes, ensuring coverage for all workers without distinction. Additionally, minimum benefits are extended to non-workers as well.

However, there are disparities that need attention, such as the availability of paternity leave. Additionally, certain benefit amounts and access requirements could be enhanced. Streamlining the minimum guaranteed income system would contribute to greater transparency and efficiency.

³⁷ Council recommendation *on access to social protection for workers and the self-employed*, 15 October 2019 (SOC 650, EMPL 494).

Netherlands

General Overview

The Dutch Civil Code distinguishes between a “contract for labour”, which involves the production of work of a physical nature, such as in construction (Dutch Civil Code, Article 7:750), and an “agreement for professional services”, and an “agreement for professional services”, which pertains to commissioned work (Dutch Civil Code, Article 7:400). The access to social protection and benefits provided are the same for both categories.

According to the Dutch Civil Code, the status of an employee requires three conditions: wage, hierarchy, and the obligation to personally perform the work. If they are not contemporarily met, the individual is classified as a self-employed worker, and their employment relationship will be categorized either as a “contract for work” or an “agreement for professional services”. The Employment Relationships Deregulation Act (*DBA*) is based on the same principles as the Civil Code but offers greater clarity and is used by the Tax Authorities to determine working relationships.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

In the Netherlands, self-employed workers lack coverage against the risk of unemployment. However, they can access the general social assistance scheme for guaranteed minimum resources. For those aged 55 or above, the Older and Partially Disabled Self-Employed Income Support is available (*IOAZ*). Self-employed facing temporary financial difficulties are covered by an additional scheme: Decree on assistance for the self-employed – Financial Support for Self-Employed Professionals (*Bbz*) which is subject to the Dutch Participation Act and is implemented by the municipalities.

These schemes, including social assistance, *IOAZ*, and *Bbz*, operate on a universal, residence-based, and tax-financed basis. Financing is derived from general taxation, with conditions for coverage not being applicable specifically to guaranteed minimum resources. There are no specific regulations for dual employment status under these schemes.

To access *Bbz* benefits, self-employed individuals must meet criteria such as being at least 18 years old, working a minimum of 1225 hours per year as a self-employed person, and having a business that is either viable but facing temporary financial difficulties or non-viable with plans for closure within a specified period. For those aged 55 or above applying for *IOAZ*, additional conditions need to be faced.

The benefits provided under social assistance, *IOAZ*, and *Bbz* are not taxable, and no social contributions are payable. Amounts, duration, and co-payments for social assistance and *IOAZ* are akin to those for employees, with the means-test for *IOAZ* considering fewer assets for self-employed individuals. *Bbz* benefits encompass financial support through loans and/or by topping up the income of the self-employed to the minimum income level. The period of benefit receipt differs:

max. 36 months for beginning self-employed with a viable business plan, and for established self-employed that are essentially viable but are temporarily in trouble; max. 12 months for self-employed persons who are closing their non-viable business. Extension by maximum 12 months is possible at the request of the self-employed person if the municipality agrees that closing the business requires more time.

Sickness and Healthcare Benefits

For healthcare benefits, the self-employed are covered by the general scheme which also covers employees, with compulsory, insurance scheme for people living and/or working in the Netherlands. Financing is through social contributions paid by people living and/or working in the Netherlands and liable to wage tax, and nominal premiums paid directly to the insurer by the insured persons (same as for employees). A state contribution is provided to cover the healthcare costs of children under the age of 18. The contributions earnings base for both employees and the self-employed is taxable income after social contributions. The contributions are calculated in the same way as for employees, but the contribution rate is different: 6.68% for employees and 5.43% for self-employed. There is no specific qualifying conditions for coverage and in case of dual employment status, there are no differences with the employees' regime.

Concerning sickness cash benefits, the self-employed can participate in the general insurance scheme (which is compulsory for employees) on a voluntary basis (opt-in) and work-based insurance scheme. The self-employed part of the scheme is financed through premiums from the self-employed. The premium consists of a percentage of the 'daily wage' and the self-employed choose by themselves the amount of 'daily wage' on which contributions are calculated (max. EUR 256.54) and contributions are calculated in the same way, but the rate (9.20%) is different.

Concerning the conditions for coverage, to qualify self-employed must have participated in a compulsory sickness scheme (as employee or unemployed) for at least one year prior to the voluntary scheme and have to opt-in within 13 weeks after the compulsory scheme has ended. In the case of dual employment status, there are no specific regulations. Conditions for access to benefits and taxation are the same as for employees, with benefits being taxable and social contributions payable on benefits. Amounts, duration and co-payments are the same as for employees: 70% of the daily wage for a maximum period of 104 weeks, with a waiting period of two days.

Maternity and Equivalent Paternity Benefits

All self-employed women are covered by a specific scheme, the so-called Self-employed and Pregnant Scheme (*Zelfstandige en Zwanger – ZeZ*), whereas for self-employed men there are no specific paternity provisions. It is a tax-based, work-based scheme covering all self-employed women. If they are voluntarily insured against the risk of sickness, they will receive a higher pregnancy benefit on the basis of the Work and Care Act. The ZeZ is financed from general taxation and there are no specific qualifying conditions for coverage for self-employed. Women combining self-employment with paid work as an employee can be eligible for both the ZeZ and the maternity leave. These benefits cannot be higher than total

monthly income from work.

Access to benefits is subject to the same conditions for both employees and self-employed individuals. However, self-employed individuals must have worked at least 1,225 hours in the year preceding the claim to receive the maximum benefit.

For both employees and self-employed women, the duration of maternity leave is at least 16 weeks, which extends to at least 20 weeks in the case of multiple births. If the child requires hospitalization for more than 7 days, the leave may be extended by a maximum of 10 weeks (minus 7 days). Additionally, if the child is born later than expected, the leave will be extended to cover the days past the due date.

The level of benefit for self-employed individuals is based on their income from the previous year but cannot exceed the national gross minimum wage (EUR 1,756.20/month). Taxation and social contributions on benefits mirror those for employees: benefits are taxable, and social contributions are payable on benefits.

Invalidity Benefits

The self-employed do not automatically fall under the general scheme that provides coverage for employees against the risk of invalidity. Instead, they can opt-in to the scheme, which operates as a work-based insurance scheme. Funding for the self-employed part of the scheme primarily comes from premiums paid by self-employed individuals, supplemented by a portion of public funding from the Work Incapacity Fund of the Employee Insurance Agency.

Premiums for self-employed individuals are based on a percentage of their daily wage, which they determine themselves (up to a maximum of EUR 256.54). Unlike employees, who have their premiums paid by employers, self-employed individuals are responsible for paying their own premiums, which are calculated at a different rate (7.98%).

To be eligible for coverage, self-employed individuals must have participated in a compulsory sickness scheme for at least one year prior to opting into the voluntary scheme. They must opt-in within 13 weeks after the compulsory scheme ends.

In case of dual employment status, there are no specific regulations, and the other conditions for coverage align with those for employees. Benefits are subject to taxation, and social contributions are payable on benefits.

Old-Age Benefits and Survivors' Benefits

In the Netherlands, the pension system for the self-employed or freelancers operates within a three-pillar framework. For old-age benefits, the self-employed are covered by the first pillar, a universal and compulsory scheme known as the General Old-Age Pensions Act (AOW)³⁸. Additionally, they have the option to participate in the third pillar which is a voluntary and contributions-based system involving individual banking or insurance products. Contributions for the third pillar can be made for pension accrual, and tax allowances are applicable up to a

³⁸ The scheme operates as a basic state pension and it was established by the Dutch government in 1957. It is paid to everyone living in the Netherlands, once they have reached the qualifying age.

specified limit. Besides, the second pillar primarily caters to employees, but in some exceptional cases may include self-employed individuals.

Survivor benefits for the self-employed are covered by the general scheme which also covers employees. This compulsory insurance scheme applies to all individuals living and/or working in the Netherlands and is subject to Dutch income tax.

Financing of the first pillar (old-age) follows a PAYG (*pay-as-you-go*) system financed from tax-related premiums and general taxation. The survivor benefits scheme, on the other hand, is financed from social contributions with contribution levels determined by income from work.

Conditions for coverage under the old-age benefit are not applicable, while there are no specific qualifying conditions for the self-employed under the survivor benefits scheme. No specific regulations exist for dual employment status in both old-age and survivor benefits.

There is no specific regulation for dual employment. Access to benefits/services, amounts, duration, and co-payments for both old-age and survivor benefits align with the provisions applicable to employees.

Taxation and social contributions on benefits are consistent with the regulations for employees. Benefits under both the old-age and survivor schemes are taxable, and social contributions are payable on these benefits.

Benefits in Respect of Accidents at Work and Occupational Diseases

For the self-employed in the Netherlands, there is no specific scheme addressing the risks of accidents at work and occupational diseases. Instead, these risks are covered by the existing sickness insurance, encompassing both cash benefits and benefits in kind, along with insurance against incapacity for work (invalidity) and survivor's insurance.

Strengths and Vulnerabilities

In terms of strengths and vulnerabilities, the self-employed benefit from universal social protection schemes covering healthcare, old-age/survivorship, family and guaranteed minimum income. In contrast to employees, self-employed persons are not compulsorily insured against loss of work, incapacity for work or illness.

While unemployment benefits are not available to self-employed workers in the Netherlands, other forms of social protection have been extended to non-standard workers, particularly part-time workers. This extension involves a more favourable calculation of contribution periods for contributory social security benefits. Instead of using full-time equivalents of days, the scheme starts from fixed part-time rates which are also more beneficial in order to reach the required minimum.

Under certain conditions, the self-employed can voluntarily opt-in to the mandatory social insurance schemes for sickness, invalidity, and unemployment that apply to employees. Additionally, financial support is available through various social benefit options from municipalities under the voluntary Decree on Assistance for the Self-Employed (Bbz). A separate maternity scheme covers all self-

employed women.

During the pandemic crisis, the Dutch government suspended job search requirements for access to social benefits and implemented three specific income support packages for self-employed and freelancers, called the “Temporary support scheme (bridging measure) for self-employed professionals” (TOZO I, II, III). According to the scheme, only the most severely affected or vulnerable solo self-employed are eligible for this support measure. In the past years, the government enacted some measures to decrease the regulatory differences between permanent contracts and various forms of flexibility and self-employed work, along with the Law for a Balanced Labour Market (2020).

Poland

General Overview

Polish legislation governing the social protection of self-employed workers is based on the Law on the Social Insurance System (*Ustawa o systemie ubezpieczeń społecznych*) of 13 October 1998 and the Law on Social Insurance Fund Pensions (*Ustawa o emeryturach i rentach z Funduszu Ubezpieczeń Społecznych*) of 17 December 1998. The legislation provides a legal definition of self-employed workers, distinguishing them from both employees and farmers. There are no further differentiations within the self-employed category.

The current trend indicates a gradual expansion of protections for the self-employed; however, as of now, the two categories are not fully aligned.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Concerning unemployment, the self-employed are covered by the general scheme which also covers employees. The protection system is based on compulsory work-based insurance and financed by social contributions. The conditions for coverage and access are the same as for employees.

With regard to the guarantee of minimum resources, a universal scheme applies to various worker categories. In this case, the system operates on a combination of taxation and residence, financed through general taxation. Nevertheless, the efficacy of this measure in alleviating poverty remains limited, due to the specific configuration of the measure, which constrains both access and coverage.

Sickness and Healthcare Benefits

Equal access to healthcare is a constitutional right under the Polish Constitution of 1997 (art. 68). However, actual eligibility for healthcare services is largely tied to employment and insurance due to the predominant funding from health insurance. As regards healthcare, the self-employed are covered by the general insurance scheme which also covers employees. Coverage is provided by compulsory social insurance, financed by social contributions and general taxation. Contributions are calculated on the declared income and vary according to the form of income taxation.

In terms of sickness benefits, a general benefit covers both employees and self-employed, but for the latter it operates as an insurance work-based system on a voluntary basis (opting-in), financed by contributions. Contributions are calculated based on income, with a minimum threshold which varies in some specific cases. In order to access the benefits, voluntarily insured self-employed must prove 90 days of continuous insurance contributions (in contrast to the mandatory 30 days for employees). If an inability to work results from a work-related accident or qualifies as an occupational disease, the benefit is due from day one of contributions. Accordingly, there is no waiting period, with the amount and duration mirroring those for employees.

Maternity and Equivalent Paternity Benefits

Much like sickness and healthcare benefits, self-employed individuals can access coverage through a general scheme that also extends to employees. However, for the self-employed, participation in this scheme is voluntary and requires opting-in. This system operates on an insurance-based and work-based model, funded by a combination of general taxation and contributions, mirroring the structure for sickness benefits.

The conditions for accessing coverage are identical to those for employees, and both benefits in kind and cash are available. There are no distinctions in coverage between self-employed individuals and employees under this scheme.

Invalidity Benefits

Concerning invalidity, the self-employed fall under a general work-based scheme, which also covers employees. However, unlike sickness benefits, this system is compulsory. Much like other benefit mechanisms, it operates as a work-based system, financed by contributions and general taxation, with no significant differences from other employees' coverage.

Old-Age Benefits and Survivors' Benefits

Regarding old-age and survivors' benefits, both employees and self-employed individuals are covered by a general scheme. This system operates on a work-based and compulsory basis, sharing similarities with other benefit schemes mentioned earlier. There are no significant distinctions in coverage between employees and self-employed individuals.

Benefits in Respect of Accidents at Work and Occupational Diseases

Coverage for accidents at work and occupational diseases follows the same pattern as the previously mentioned benefits. The coverage is operated by an insurance and work-based compulsory system (mandatory work injury insurance), financed by social contributions and general taxation. This general scheme also covers employees.

Strengths and Vulnerabilities

In Poland, access to most social protection benefits mirrors that of employees. However, certain benefits still require voluntary participation, presenting a significant drawback, particularly for low-income earners. Another notable concern pertains to the insurance-type scheme, which may foster a trend of minimizing contributions and tax refunds. Consequently, some scholars advocate for reinforcing the correlation between contributions and individual benefits (Chłóń-Domińczak, Sowa, Topińska, 2017).

Portugal

General Overview

In Portugal, the social protection coverage for self-employed individuals is outlined in the Code of Contributory Schemes for the Social Security Welfare System, established by Law 110/2009 of 16 September 2009 (as amended), and the Statute of Professionals in the Field of Culture, ratified by Decree-Law No. 105/2021 of 29 November 2021.

According to the legal framework provided by social protection legislation, self-employed individuals are defined as natural persons engaged in professional activities not governed by an employment contract or its legal equivalent. They provide their services independently and are not covered by the general employees' scheme, thus falling under the self-employed scheme by default.

While self-employed workers generally enjoy similar rights and benefits as employees, there are specific provisions governing sickness and unemployment benefits, as well as the calculation of contributions for this demographic.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

The self-employed are not universally entitled to unemployment assistance. Unemployment benefits are only available for business owners and economically dependent workers. For sole entrepreneurs engaged in a trade or commercial activity and owners of limited one-person businesses as well as for the helping spouse or partner, social security contributions for at least 720 days of activity in the previous 48 months are requested. The self-employed in the field of culture have a waiting period of 180 days of activity in the field of culture, with the effective payment of contributions. The amount of benefits is different, according to various conditions.

A compulsory scheme based on insurance and professional activity as self-employed is applied. The scheme is based on social security contributions. The earnings base on which the contributions are calculated is the same as for cash sickness benefits (see below). The contributions and the rate applied are calculated differently from those for employees. The conditions for coverage are the same as for cash sickness benefits (see below), except for economically dependent workers whose income each year must be greater than 6 times the IAS (Social Support Index).

Concerning guaranteed minimum resources, the self-employed are covered by a general scheme, which includes all residents. Self-employed people are covered by a tax-and residence-based system, financed by general taxation. The conditions for access to benefits/services are the same as for employees (means-tested). The benefits are the same as for employees and are equally non-taxable. No contributions are requested (same rules as for employees).

Sickness and Healthcare Benefits

Concerning healthcare, the self-employed are covered by the universal system which also covers employees and is based on residence. On the other hand, concerning sickness cash benefits, the self-employed are covered by the general scheme. It is a compulsory scheme based on insurance and professional activity as self-employed. While healthcare is financed by general taxation, sickness cash benefits are financed by social security contributions. Concerning the conditions for coverage of sickness cash benefits, the rules are applied to the date at which membership comes into effect. If a self-employment activity is being exercised for the first time, the self-employed must have been insured for 12 months.

For individuals combining self-employment alongside salaried employment, the legal framework mandates obligatory contribution payments whether their self-employment income exceeds four times the Social Support Index. It is possible to be exempted from contributions when all the following conditions are met: 1) the two activities are performed for different employers who do not have a domain or group relationship; 2) the activity as an employee is compulsorily insured under another social protection scheme covering the same risks as in the self-employed scheme; 3) the average monthly remuneration taken as a reference for the other social protection scheme is equal to or higher than EUR 480.43 (the amount of the Social Support Index).

The conditions for access to sickness cash benefits go under the same rules as for employees except for the 12 days of actual work to qualify for the benefit. Non-salaried workers must have paid social security contributions until the end of the third month prior to the start of the incapacity to work. This condition, however, does not apply to employees.

Sickness cash benefits are granted according to the rules applicable to employees but a 10-day waiting period and a maximum duration of benefits of 365 days applies to self-employed workers. There is, however, an exception in the cases of hospitalization, tuberculosis, outpatient surgery, illness starting during maternity period: there is no maximum duration, as for employees.

Maternity and Equivalent Paternity Benefits

Maternity and paternity benefits for the self-employed are covered by the general compulsory scheme based on insurance and on professional activity as self-employed. It is a universal system, based on residency, which also applies to employees (see above). Cash benefits are financed by social security contributions and benefits in kind are financed by general taxation. The conditions for coverage for cash benefits are the same as for cash sickness benefits. In the case of dual employment status, the same rules as for cash sickness benefits are applied.

Similarly, the conditions for accessing benefits and services are the same as those provided by the sickness scheme. The amount and duration of cash benefits are the same as for employees except for the “Christmas” and holiday bonuses (only employees enjoy these benefits). Benefits in kind are the same as for employees.

Invalidity Benefits

Regarding invalidity benefits, self-employed workers are covered by the general scheme, which operates as a compulsory insurance-based system tied to their

professional activity as self-employed individuals. This scheme is financed by social security contributions. The eligibility criteria for coverage are the same as for cash sickness benefits.

In cases of dual employment status, self-employed pensioners coping with partial disability and maintaining a professional activity are treated equivalently to employed individuals. However, recipients of total disability pensions cannot concurrently receive a social benefit while engaging in a professional activity. The conditions for accessing benefits and services, including the amount and duration, align with those for employees. Taxation and social contributions on benefits mirror the regulations for employees, with pensions being taxable and benefits not requiring contributions.

Old-Age Benefits and Survivors' Benefits

Old-age and survivors' benefits for the self-employed are covered by the general scheme. It is a mandatory system based on insurance and on professional activity as self-employed, financed by social security contributions. The conditions for coverage are the same as for cash sickness benefits. In case of dual employment status, self-employed old-age pensioners are exempt from the payment of contributions.

As regards survivors' benefits, the same conditions as for cash sickness benefits are applied. The conditions for access to benefits and services are the same applied to employees. However, the self-employed are not entitled to a flexible age of retirement. The same conditions as for employees are applied for survivors' benefits. As regards the amounts, duration, and co-payments, the same benefits as for employees are applied. Professional retraining allowance, for professionals in the field of culture who ceased professional activity before being entitled to the old-age pension (not paid by social security). Taxation and social contributions on benefits are the same as for employees: pensions are taxable and benefits do not require contributions.

Benefits in Respect of Accidents at Work and Occupational Diseases

If accidents at work and occupational diseases occur, self-employed workers are covered by the general scheme for occupational diseases and by a private insurance scheme for occupational accidents. Occupational diseases are covered by a compulsory scheme based on insurance and occupational accidents are covered by mandatory private insurance. The scheme to respond to occupational diseases is financed by social security contributions while the scheme to respond to occupational accidents is financed by insurance premiums.

The conditions for coverage are largely similar to those for employees, albeit with some specific adaptations. For instance, the calculation of bonuses and cash benefits is based on an annual pay equivalent to at least 12 times the monthly remuneration plus the Christmas and holiday pays.

In cases of dual employment status, individuals classified as occupational risk pensioners with a work incapacity equal to or exceeding 70% are exempt from paying contributions. However, for those with a work incapacity below 70%, no distinctions apply.

Access to benefits or services follows the same criteria as for employees. Similarly, the regimes governing amounts and duration mirror those applicable to employees, with no qualifying period required for benefit eligibility.

Taxation and social contributions on benefits are similar to those for employees, pensions are non-taxable, and there are no contributions on benefits.

Strengths and Vulnerabilities

Portugal is characterized by a universal or general social security system, according to which basic social protection is uniformly organized for all segments of the population.

Self-employed individuals are entitled to protection in the events of sickness, parenting, occupational diseases, old-age and death. However, only specific categories of self-employed persons are also entitled to protection in case of unemployment. Additionally, self-employed individuals benefit from certain exemptions in contributions, including an exemption for those receiving a pension.

While there have been improvements in the coverage and quality of protection for self-employed individuals over the years, disparities still exist in terms of coverage and sufficiency. Even within the category of self-employed individuals, discrepancies persist, notably in the absence of unemployment benefits for some categories and variations in the amount of sickness benefit). Portugal's Guaranteed Minimum Income scheme, though available, has remarkable eligibility and coverage restrictions. The regime for self-employed workers aligns with those for the employees.

In summary, despite the progressive extension of the guarantees, self-employed individuals continue to receive fewer benefits compared to their employees' counterparts. This creates a disproportion between the contributory effort made by self-employed individuals and the level of social protection they could access.

Romania

General Overview

In Romania, there are two main pieces of legislation dealing with the social protection coverage for the self-employed: namely, Law No. 227/2015 on Fiscal code (and subsequent amendments) and Law No. 263/2010 on the Unitary System of Public Pensions (and subsequent amendments).

According to the legal definition provided, a self-employed worker is a person carrying out an activity for the purpose of obtaining income, and has to meet at least four of the following criteria:

1. The individual has the freedom to choose the place and mode of work, as well as the work schedule;
2. The individual has the freedom to work for more than one client;
3. The risks inherent in the activity are assumed by the individual performing the activity;
4. The activity is accomplished by using the earnings of the physical person who carries it out;
5. The activity is performed by the individual by using the intellectual capacity and/or the physical performance of the person, depending on the specificity of the activity;
6. The individual is part of a professional body/order with the role of representing, regulating and supervising the profession, according to the special normative acts regulating the organization and the exercise of the respective profession;
7. The natural person has the freedom to carry out the activity directly, with employed personnel or through collaboration with third parties under the law.
8. There are no different types of self-employed and there is no legal definition of 'new' forms of self-employment.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

In case of unemployment, voluntary insured self-employed are covered by the general scheme (voluntary opt-in insurance-based scheme), financed by social contributions. The calculation basis for contributions is the monthly gross income (which also includes wages), not different from employees. Self-employed workers must be insured in the public system of pensions and health care schemes. Conditions for access to benefits/services, amounts, duration, co-payments, taxation, and social contributions on benefits are the same as for employees.

Concerning guaranteed minimum resources, self-employed people are covered by the general scheme. It is a universal, tax-based, and residence-based scheme, financed by general taxation. The conditions for access to benefits/services, amounts, duration, co-payments, taxation, and social contributions on benefits are the same as for employees.

Sickness and Healthcare Benefits

Concerning healthcare and sickness cash benefits, the self-employed are covered by the general scheme, involving a compulsory insurance-based and residence-based system. The source of financing comes from social contributions: the earnings base on which they are calculated is the minimum gross wage. Regarding sickness cash benefits, while self-employed pay contributions (rate: 1%) employees are exempted. There are no specific qualifying conditions for the self-employed while the conditions for entitlement to receive benefits are the same as for employees. The taxation and social contributions on sickness benefits are the same as for employees, but different thresholds apply (3 times the minimum gross wage for self-employed; 12 times for employees). Amounts, duration of benefits, and co-payments are the same as for employees.

Maternity and Equivalent Paternity Benefits

Maternity and paternity benefits for the self-employed are covered by the general scheme. Conditions for coverage, financing, conditions for access to benefits, taxation and social contributions, amounts, duration and co-payments are the same as for sickness benefits.

Invalidity Benefits

Concerning invalidity, self-employed workers are covered by the general scheme. It is a compulsory insurance-based, residence-based scheme, financed by social contributions. The annual calculation base is the income chosen by the self-employed, which cannot be lower than 12 times the Minimum Gross Wage. As regards the conditions for coverage, insurance under the public system of pensions is compulsory if the monthly average net income is above the minimum gross wage. Those who work both as employees and as self-employed are exempt from compulsory insurance for self-employed income (e.g. intellectual property rights). The conditions for access to benefits/services, the amounts, duration and co-payments, taxation and social contributions on benefits are the same as for employees.

Old-Age Benefits and Survivors' Benefits

Old-age and survivors' benefits for the self-employed fall under the purview of the general scheme, which operates as a compulsory, insurance-based system tied to residence. However, individuals also have the option to opt-in for voluntary insurance through a social insurance contract with the relevant pension authority.

Financed by social contributions, the annual calculation base for contributions is determined by the self-employed, with a minimum threshold set at 12 times the minimum gross wage. Contribution calculations mirror those for employees. For voluntary insurance, the social insurance contribution rate stands at 25% of the insured income.

Participation in the public pension system becomes mandatory if the monthly average net income exceeds the minimum gross wage. However, individuals engaged in both employee and self-employed work may be exempt from

compulsory insurance for certain self-employed income streams, such as intellectual property rights.

Conditions for accessing benefits/services, benefit amounts, duration, co-payments, as well as taxation and social contributions on benefits align with those applicable to employees.

Benefits in Respect of Accidents at Work and Occupational Diseases

If accidents at work and occupational diseases occur, self-employed people are not covered against the risk. There is no compulsory scheme for the self-employed and voluntary insurance is not possible.

Strengths and Vulnerabilities

In Romania, the self-employed are covered by universal measures in some fields, while in other social protection is lacking or only voluntary.

Self-employed workers fall under the umbrella of the general social protection system, mandatorily covered, for healthcare, sickness benefits, maternity, invalidity, old age, and survivor benefits. However, regarding old age benefits, self-employed workers earning below a certain income threshold may be exempt from contributing to a pension scheme but have the option to opt-in to prevent gaps in their contribution record.

Unlike employees, self-employed individuals are not automatically covered against accidents at work and occupational diseases. However, they have the opportunity to opt for voluntary insurance to mitigate these risks.

Access conditions for coverage vary for different risks. Regarding guaranteed minimum resources, self-employed workers benefit from coverage provided by the general scheme, which extends support to most individuals in need.

Slovakia

General Overview

Slovak legislation governing the social protection of self-employed workers is based on three different main acts: No. 461/2003 on Social Insurance, No. 580/2004 on Health Insurance and the Labour code (n. 311/2001). A self-employed is legally defined as a natural person who performs a gainful activity generating trading income. There are three main legal criteria applied to distinguish self-employed from employees: 1) not being subordinate to the employer; 2) performing work as a natural person; 3) performing work in their own name and with no fixed working hours.

Within the self-employed category, there are no major differentiations.

Broadly speaking, self-employed individuals typically have access to a lower level of social protection compared to employees.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Regarding unemployment benefits, self-employed individuals are included in a general voluntary insurance-based system that also encompasses employees. This system is funded through social contributions. Unlike employees, the calculation basis for contributions from self-employed individuals is based on the average monthly taxable income of the two years preceding the claim. However, the contribution rate remains the same as for employees.

As for guaranteed minimum resources, which are financed by general taxation, the benefits are universal and are granted based on citizenship.

Sickness and Healthcare Benefits

Health protection is granted by a compulsory insurance-based system covering all residents, financed by general taxation and social contributions. With regard to the contributions of the self-employed, the calculation basis is different from that of employees (approx. 67.3% of the average monthly taxable income of two years before), while the contribution rate is the same for employees (14%).

With regard to sickness benefits, there is a general allowance for both employees and the self-employed based on a partially compulsory insurance-like scheme financed by contributions. The protection is mandatory for the self-employed having an annual income above a certain amount, while it is voluntary for the others. Contributions are calculated based on income. The calculation basis is similar to healthcare contributions, while the contribution rate for the self-employed is different than the overall rate for employees. There is no waiting period, but the benefit in the first three days is lower than the one in the following days.

Maternity and Equivalent Paternity Benefits

Parental benefits are included in the sickness benefit and follow the same rules.

Invalidity Benefits

Concerning invalidity, the self-employed are covered by a general compulsory insurance-based system financed by social contributions. Invalidity insurance is mandatory for the self-employed whose annual income in 2021 is over EUR 6,798, while it is voluntary for those who earn less than this amount. The other features are similar to the previously described benefits and there are no significant differences with employees.

Old-Age Benefits and Survivors' Benefits

Concerning old-age and survivors' benefits, the coverage system is provided by a general work-based and compulsory scheme, financed by contributions, which also covers employees. Old-age insurance is mandatory for self-employed with an annual income of 2021 over EUR 6,798. Other aspects are similar to the previously described benefits and there are no significant differences with employees.

Benefits in Respect of Accidents at Work and Occupational Diseases

There is no coverage for the self-employed.

Strengths and Vulnerabilities

In Slovakia, access to most social protection benefits is similar to that for employees. However, there are some benefits (sickness, maternity benefits) where the protections of the self-employed are less effective than those of employees, while some areas, such as workplace accidents, lack coverage.

Moreover, access to some social benefits is voluntary or compulsory only above a certain income. While this protects low incomes from over-contribution, it also risks creating vulnerability and inequality in the long run.

Slovenia

General Overview

In Slovenia, there is no specific legislation outlining social protection coverage for self-employed workers. According to Slovenian law, self-employed individuals are those who engage in economic or professional activities as their primary or sole occupation. Unlike some other countries, there is no distinct provision for social protection coverage specifically for the self-employed. Instead, regardless of the duration of their work, self-employed individuals are required to be insured full-time, equivalent to 40 hours per week. Part-time insurance for self-employed individuals is not permitted by law.

If self-employed individuals engage in part-time employment (at least 4 hours per week) while also conducting self-employed activities, they are still obligated to maintain full-time insurance coverage for their self-employed work. The legislation in Slovenia does not differentiate between various categories of self-employed individuals or acknowledge new forms of self-employment.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

The self-employed in Slovenia are covered by the general scheme which also covers employees. It is a compulsory insurance-based system, financed by social contributions. The earnings base on which contributions are calculated is defined in the same way as for tax purposes. The same contribution rate as the overall rate for employees is applied. Self-employed have to be insured full-time. Until the self-employment activity is not suspended or terminated, the person cannot register as a jobseeker and therefore cannot apply for unemployment benefits. The conditions for access to benefits/services and the amounts, duration, and co-payments are the same as for employees.

Concerning guaranteed minimum resources, the self-employed are covered by the general scheme, which also covers employees. The measure is financed by general taxation.

Sickness and Healthcare Benefits

Vis-à-vis healthcare, self-employed workers are covered by the general scheme, which also covers employees. It is a compulsory insurance-based system, financed by social contributions. The earnings base to calculate contributions is the one defined for income tax purposes, reduced by 20%.

If net earnings are below 60% of the national average annual wage of employees, the insurance rating base is set at 60%, while the maximum is 3.5 times the national average annual wage of employees, calculated on a monthly basis. Contribution rate is the same as overall rate for employees: 12.92% of gross wage insurance base for pension and invalidity insurance.

Concerning the conditions for coverage, the self-employed have to be insured full-time, covering at least 40 hours a week. The self-employed have full-time in-

insurance coverage unless otherwise determined. Those working part-time as employees (but not less than 4 hours a week) and at the same time as self-employed must be covered up to the full insurance time as self-employed. The conditions for access to benefits/services and the amounts, duration and co-payments are the same as for employees.

Concerning sickness cash benefits, self-employed workers are covered by the general scheme, which also covers employees, similarly to healthcare benefits. It is a compulsory insurance-based system, financed by social contributions.

Maternity and Equivalent Paternity Benefits

The self-employed are covered by the general scheme, which also covers employees. It is a compulsory insurance-based system, financed by social contributions and general taxation. The earnings base on which contributions are calculated is the same as for sickness benefits.

Invalidity Benefits

Concerning invalidity benefits, self-employed workers are covered by the general scheme, which also covers employees. It is a compulsory insurance-based system, financed by social contributions. The earnings base to calculate contributions is the same as for healthcare benefits. The self-employed have full-time insurance coverage unless otherwise determined. Conditions for access to benefits/services, amounts, duration, co-payments, taxation and social contributions are the same as for employees.

Old-Age Benefits and Survivors' Benefits

Regarding old-age benefits, self-employed workers are covered by the general scheme, which also covers employees. It is a compulsory insurance-based system, financed by social contributions. The earnings base to calculate contributions is the same as for healthcare benefits. The self-employed have full-time insurance coverage unless otherwise determined. Conditions for access to benefits/services, amounts, duration, co-payments, taxation, and social contributions are the same as for employees.

About survivors' benefits, self-employed workers are covered by the general scheme, which also covers employees. It is a compulsory insurance-based system, financed by social contributions. The earnings base to calculate contributions is the same as for healthcare benefits. The self-employed have full-time insurance coverage unless otherwise determined. Conditions for access to benefits/services, amounts, duration, co-payments, taxation, and social contributions are the same as for employees.

Benefits in Respect of Accidents at Work and Occupational Diseases

If accidents at work and occupational diseases occur, the self-employed are covered by the general scheme which also covers employees. It is a compulsory insurance-based system, financed by social contributions. The earnings base to calculate contributions is the same as for healthcare benefits. The self-employed have full-time insurance coverage unless otherwise determined. Conditions for

access to benefits/services, amounts, duration, co-payments, taxation, and social contributions are the same as for employees.

Strengths and Vulnerabilities

In Slovenia, certain aspects of the social protection system apply universally to both self-employed individuals and employees, while others are either lacking or available only upon a voluntary choice for the self-employed. Contributions for pensions, health insurance, sickness leave, unemployment, and parental leave are mandatory for self-employed workers. Maternity leave is also included in the social protection coverage for the self-employed.

However, Slovenia currently lacks legislation specifically outlining the social protection coverage for self-employed individuals and addressing "new" forms of self-employment.

The Slovenian system ensures universal coverage for self-employed individuals, offering a range of benefits similar to those provided to employees. This includes coverage for unemployment, sickness, maternity, invalidity, old-age, survivors' benefits, and accidents at work.

The requirement for self-employed individuals to maintain full-time insurance provides comprehensive protection and aligns with the general scheme for employees. The conditions for access to benefits/services, as well as the amounts, duration, co-payments, taxation, and social contributions, are consistent between self-employed individuals and employees, promoting fairness and equality.

The system is financed through a combination of social contributions and general taxation, ensuring a sustainable funding base.

There are, however, several vulnerabilities and areas for improvement. First, the absence of specific legislation outlining social protection coverage for self-employed workers may lead to potential gaps or uncertainties in the system. The system relies on general laws applicable to employees.

Second, the obligation for self-employed individuals to maintain full-time insurance might pose challenges for those engaged in part-time self-employment or combining it with part-time employment.

Third, while the earnings base for contributions is defined similarly to employee tax purposes, the 20% reduction for social contributions and potential adjustments for net earnings below 60% of the national average may introduce complexities.

Last, the failure to acknowledge new forms of self-employment could lead to inadequate coverage for emerging types of work arrangements. Also, the system lacks specific provisions or distinctions for different categories of self-employed individuals, potentially overlooking unique characteristics or vulnerabilities specific to certain groups.

Overall, the Slovenian social protection system demonstrates strengths in its comprehensive coverage and consistent conditions but faces vulnerabilities related to the absence of specific legislation, rigid insurance requirements, and limited adaptability to new forms of self-employment.

Spain

General Overview

Spanish legislation governing the social protection of self-employed workers is based on different acts: Title IV of the Social Security General Act (*Ley General de la Seguridad Social*) approved by Legislative Royal Decree No. 8/2015, Decree No. 2530/1970 and Royal Decree No. 13/2022.

Self-employed are identified by legislation as people who carry out an economic or professional activity for profit irrespective of employing others, on a regular, personal, and direct basis, on their own account and without being subject to subordination.

The protection of self-employed workers is guaranteed by a special scheme that applies to the self-employed (*Special Social Security Scheme for Self-Employed Workers*) with some differences as compared with the protection provided to employees (*General Social Security Scheme*).

Within the category of the self-employed, employees in agriculture and maritime workers present certain distinctions. However, they fall out of the scope of the present analysis.

Under the Special Social Security Scheme for Self-Employed Workers, there are specific protection rules for the economically dependent self-employed (described as those who depend economically for at least 75% of their income on a single client).

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Concerning unemployment, the self-employed are covered by the Special Social Security Scheme for Self-Employed Workers, organized as a compulsory insurance-based system. The benefit consists of the so-called “cessation of activity benefit” (*Prestación por cese de actividad*), financed with social contribution, with the same base of sickness benefit (see below), and a contribution rate of 0.9% of the contribution base. The amount is 70% of the average contribution base of the last 12 months, but different maximum amounts are applied, depending on the number of dependent children. Benefits can last between 4 and 24 months according to the contribution period over the previous 48 months.

Different benefits are also present to ensure minimum resources, disconnected from worker status, based on residence, financed by general taxation, and carried out by both the state and the regions.

Sickness and Healthcare Benefits

Health protection is guaranteed through a universal compulsory tax-based system for all residents, financed by general taxation.

With regard to sickness benefits, self-employed are covered by the *Special Social Security Scheme for Self-Employed Workers*, which is structured as a compulsory insurance work-based system. Financing is through contributions, which vary, between a minimum and a maximum, depending on monthly income.

The contributions base for self-employed is calculated according to the income, with a minimum and a maximum. The contribution rate is set by law (28.30% of the contribution base).

Maternity and Equivalent Paternity Benefits

With regard to benefits in kind there is a compulsory, universal, tax-based system, based on residence. With regard to benefits in cash, self-employed are covered by the *Special Social Security Scheme for Self-Employed Workers*. All contributions aspects (rate, amount, etc.), are the same as for sickness.

Invalidity Benefits

Also concerning invalidity, the self-employed are covered by the *Special Social Security Scheme for Self-Employed Workers*. With regard to contributions (rate, amount...), the aspects are the same as for sickness.

Compared to employees, the benefit has some differences: self-employed receive benefits for permanent partial invalidity only in cases of accident at work or occupational disease.

Old-Age Benefits and Survivors' Benefits

Also concerning old-age and survivors, self-employed are covered by a general compulsory insurance work-based system for all self-employed (*Special Social Security Scheme for Self-Employed Workers*), financed by contributions. The features of the contributions (rate, amount...) are identical to those for sickness benefits. The content of the benefit is the same as for employees, except for the non-eligibility for partial retirement.

Benefits in Respect of Accidents at Work and Occupational Diseases

In Spain, the self-employed are covered against accidents at work and occupational diseases by the same general compulsory insurance work-based system for all self-employed (*Special Social Security Scheme for Self-Employed Workers*). While the contribution base is calculated on the basis of income, contribution rates are fixed by regulation according to the different risk levels of activities, industries and jobs. The features of the contributions (rate, amount...) are identical to those for sickness benefits. The content of the benefit is the same as for employees, except for the non-eligibility for partial retirement.

Strengths and Vulnerabilities

The Spanish protection system is characterised by full coverage and a good level of effectiveness. The legislative changes implemented in recent years, which made contributions to various benefits' schemes compulsory, increased the financial amount of the benefits themselves. Also, an increase to the income level serving as a contribution basis was registered. In this sense, Spain represents the example of a successful extension from a voluntary towards a mandatory scheme (Schoukens & Bruynseraede, 2021).

Sweden

General Overview

The Swedish social protection system operates according to two acts concerning both taxes and social security legislation: Income Tax Act (*Inkomstskattelagen*, 1999:1229), and Social Insurance Code (*Socialförsäkringsbalken*, 2010:110). These acts refer to the self-employed based on their income derived from commercial activity. The activity has to be performed “professionally, independently and with the ambition to make profit”. If an individual fails to satisfy all the conditions for self-employment, they are deemed to be an employee.

Generally speaking, social protection coverage of the self-employed does not differ from that of employees and there are no differentiations within the self-employed category.

Assessment of Social Protection Branches

Unemployment Benefits and Guaranteed Minimum Resources

Concerning unemployment, the self-employed are covered by the general scheme which also covers employees. They are entitled to basic unemployment insurance (*grundförsäkring*), financed by social contributions.

Additionally, there are several voluntary specific income-loss insurances (*inkomstbortfallsförsäkring*) financed by social contributions and membership, specific for the different occupational branches.

There is also a general scheme for the guarantee of minimum resources, unrelated to worker status, financed by general taxation, that is the same for all residents.

Sickness and Healthcare Benefits

Concerning healthcare, the self-employed are covered by the general scheme which also covers employees. Protection is rooted in a universal, residence-based contributory scheme, financed directly from the local/municipal budget through taxation.

Sickness benefits are guaranteed by a general coverage available for all categories of workers and the system is based on a compulsory insurance scheme, financed for the most part from contributions. The basis for calculating contributions for the self-employed is the same earning base used for tax purposes. While the contribution rate (*Sjukförsäkring*) for employees is fixed and paid by the employers, the contribution rate for the self-employed varies according to the length of the waiting period chosen. The amount of the benefit varies according to actual income for workers who have been self-employed for more than 24 months, while standard contributions are provided for those who have been working for a shorter period.

Maternity and Equivalent Paternity Benefits

As for sickness and healthcare benefits, self-employed are covered by a gen-

eral scheme applicable to all workers. Two different types of benefits are provided: benefits in kind, covered by a universal residence-based system financed from general taxation; and cash benefits, covered by a compulsory system of Parental Insurance (*Föräldraförsäkring*) with earnings-related and flat-rate benefits, financed from contribution.

Concerning cash benefits, the contribution rate is the same both for employees (all paid by the employer) and self-employed. Access to the benefit is subject to the same condition as sickness benefits.

Invalidity Benefits

In the invalidity scheme, the self-employed are covered in the same way as employees. The scheme operates as a mandatory insurance-based benefit financed from contributions. The other features are similar to the sickness scheme as described above.

For all residents with low or no income, there is a different benefit, which is residence-based and financed by general taxation.

Old-Age Benefits and Survivors' Benefits

Old-age and survivors' benefits are aligned with the ones covering employees. The system is insurance and universal. Furthermore, it is residence-based and consists of two main benefits: the guaranteed pension (*Garantipension*), which is based solely on the residence and financed by general taxation; and the income-related pension (*Inkomstpension*), which is a separate compulsory insurance scheme for all workers, financed from contributions. The contribution rate is equal between employees and the self-employed.

Benefits in Respect of Accidents at Work and Occupational Diseases

In case of accidents at work and occupational diseases, the self-employed are covered in the same way as employees. The scheme operates as a mandatory insurance-based system, financed by contributions. The other features are similar to the sickness scheme as described above.

Strengths and Vulnerabilities

Sweden displays a comprehensive and mandatory social protection system that applies uniformly to both self-employed and employed workers. Thus, there are no particular issues and, indeed, the Swedish system appears fully compliant with European recommendations on the protection of self-employed workers.

Conclusive Remarks

The assessment of national social protection systems for professional self-employed individuals highlights significant diversity among Member States, stemming from multiple factors, including socio-cultural considerations. The diversity between the various schemes extends beyond social policy to the interpretation of self-employment, which changes depending on each Member State's legislation. Additionally, it reflects the harmonizing action of the European integration still in progress³⁹.

Country reports show that self-employed workers across Member States form a heterogeneous group with distinct activities, needs, and vulnerabilities.

Despite the differences and the objective difficulties deriving from the structure of the self-employment system at the European level, some common challenges emerged, particularly regarding access to social protection measures and the extent of coverage. As emerged from the Council Recommendation of 8 November 2019 on access to social protection for workers and the self-employed (2019/C 387/01)⁴⁰, the main conditions to build a social protection scheme for the self-employed shall follow a common scheme, in the perspective of an even more integrated model.

Looking at the common challenges, for example, the self-employed often must handle their enrolment in a social protection system and pay their own contributions. In some countries, some self-employed workers prefer private insurance over public schemes. Social protection coverage for the self-employed differs significantly from that enjoyed by traditional employees across countries.

As explained in Section 5 of the present study, in order to analyse the different social protection models for the self-employed adopted in the Member States, the MISSOC comparative tables have been used as the main source. However, for some countries, data gaps and limitations within the MISSOC database complicate research. Some difficulties in research emerged due to the fact that the MISSOC database has not yet been fully implemented and has some structural limitations.

However, from the data set emerges that many Member States are currently working to increase social protection measures for the self-employed, with the aim of bringing the social protection scheme of the self-employed closer to that of employees. In many Member States, the self-employed workers are not covered in cases of unemployment, sickness and accidents at work. Broadening coverage for these risks could enhance the health, job quality, and financial security of self-employed workers.

In 2023, the European Commission released a *Report to the Council on the implementation of the 2019 Recommendation*⁴¹, showing that there is notable variation between the Member States. According to the Report, although in many Member States self-employed workers are not fully covered by all branches of so-

³⁹ See the Section 1 of the present study.

⁴⁰ For a further inquiry on Recommendation 2019/C 387/01, see the Section the Section 1 and the Section 4.4 of the present study.

⁴¹ See the Section 4.5.2 of the present study.

cial protection, the EU Commission notes that all Member States (except Luxembourg) had submitted a *National Implementation Plan* (NIP), suggesting that Member States are committed to pay more attention to social protection policies for the self-employed than in the past.

The plans were discussed at the EU level in the EPSCO Council⁴² and the Social Protection Committee (SPC), the advisory policy committee to the Ministers, with the participation of European social partners' organizations and stakeholders.

To pursue a gradual harmonization of national social protection systems for the self-employed, soft law tools and the involvement of social partners hold significant potential. Country reports acknowledge the complexity and heterogeneity of social protection schemes, but they also identify national best practices.

This study serves as preparation for the second phase of our research, where we will delve into and underscore the roles played by social partners and professional associations in shaping social protection systems.

⁴² Employment, Social Policy, Health and Consumer Affairs Council.

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