

2nd Scientific Advisory Board CHANGE project

3-02-2025



University of Antwerp
| CSB | Centre for Social
Policy Herman Deleeck



Legal analysis of social security coverage of atypical workers

Centre for Public and Social Law
Université Libre de Bruxelles (ULB)

REMINDER

- Aim : gaps in social protection for atypical workers
- Risks of unemployment and incapacity, both in the insurance and assistance sides
 - ➔ Regulations of unemployment insurance (bridging right for the self-employed) and minimum income, as well as incapacity for work insurance and disability benefits
- WP 1: income concepts in social security legislation
- Further WPs: application of results on various categories of atypical workers ; critical assessment
 - ➔ Today: new analytical framework based on intermediate results and scientific advisory board 2024

New analytical framework to fit the diversity of atypical work

- On legal grounds
 - Deliverable 1.1.1: 20 + different legal forms
 - Atypical work forms do not have much in common except for the fact that they are not standard employment.
- On socio-economic grounds
 - Reasons of use and development of atypical work
 - Flexibility / work-life balance
 - Also within each legal category

State of the art – two major streams

Between global approaches that call for paradigms to be challenged...

Globalising: inadequacy of social law for atypical workers due to the regulatory model based on the standard contract (Adams & Deakin 2014, Vosko 2010, Stone & Arthurs 2013, Weiss 2011)

(+) Inventive but theoretical solutions: going beyond the wage model, new standard contract, etc. (Bosch 2004, Supiot et al. 2016)

(-) Little legal basis and remains very generalizing

... and precise but segmented analyses

Case studies by branch and category / atypical work characteristics

Comparative law (McKay et al. 2017, Spasova et al. 2017, Schoukens & De Bruynseraede 2021)

Domestic law (Remouchamps 2017, De Becker & Schoukens 2023, Van Limberghen et al. 2020)

(+) Technical and precise analyses to identify in each case the rules that raise issues for the coverage of atypical workers

(-) Separate methods

(-) Solutions locked into the current legal framework

A new definition of atypical work specific to social security law

- Instead of labour law characteristics as starting point of social security law analysis
 - Alternative starting point: the common denominator in the difficulties faced by atypical workers in social security law
- The presence of periods of professional inactivity
- Interruptions over time
 - And/or not meeting the full-time standard

Periods of professional activity

What type of work is taken into account, and to what extent? (Werbrouck, 2019)

Two aspects:

- Contributory past: income
- Work history in terms of time: working time and work duration

- Both aspects are important:
 - Sometimes merged: e.g. unemployment insurance
 - Sometimes separate: e.g. incapacity for work insurance : professional past > contributory past

- ➔ Salaried workers: “time” is of great importance
- ➔ Self-employed workers: lesser account for duration

Exclusions: platform work under collaborative economy ; student jobs

Periods of professional *in*activity

- Corrective mechanisms for periods of inactivity

- Which periods of professional inactivity are recognised ? Which effects are associated ?

Examples in eligibility conditions in incapacity to work insurance under salaried worker scheme:

- Unpaid domestic work: slight effects = continuation of insurability by diminishing the waiting period after inactivity

- Unemployment: stronger effects =
 - Fully recognised and taken into account in professional past and contributory past
 - No contributions paid but a fictitious wage is attached

Questions / feedback

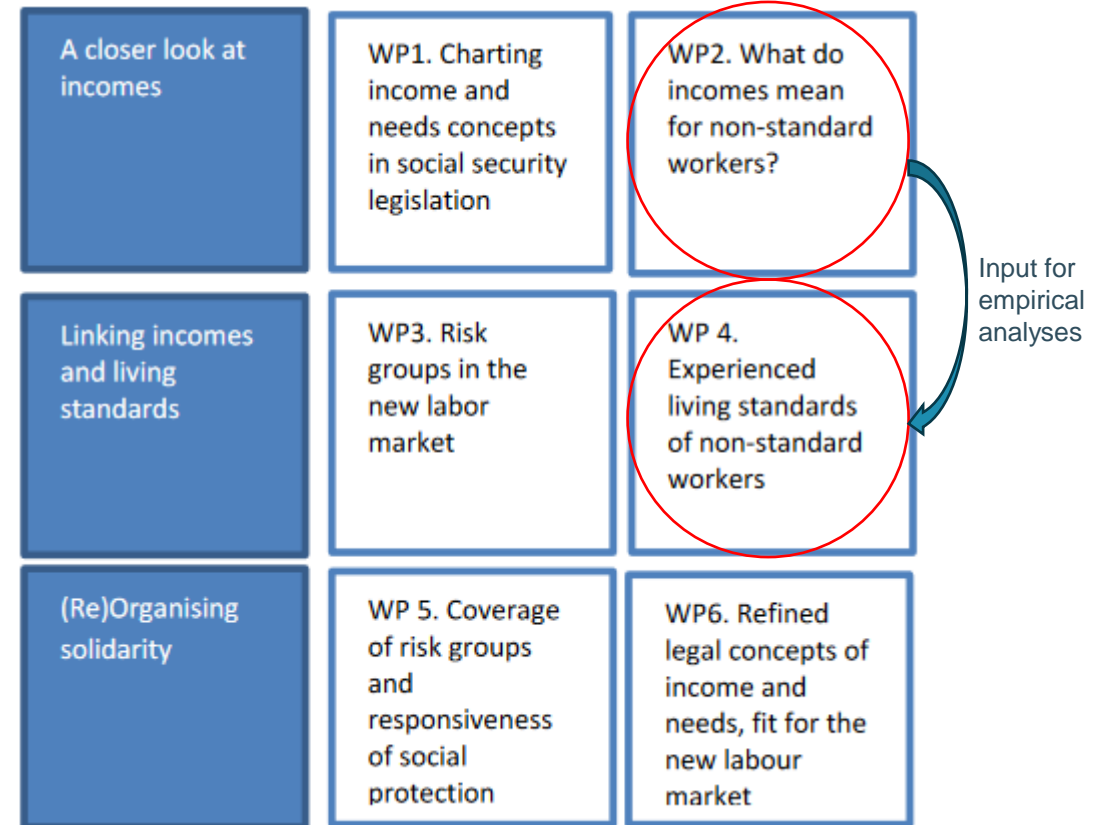
- Feedbacks ? Fits for self-employed workers?
- What about the upcoming 'Arizona' reforms?

2nd Scientific Advisory Board Meeting CHANGE Project

Lien Steyaert & Wim Van Lancker
Centre for Sociological Research, KU Leuven

Work packages

- WP2
 - Qualitative data collection: interviews
 - Define income and living standards concepts relevant to NSW
 - Understand coping and optimization strategies
 - Input for survey
- WP4
 - Quantitative data collection: online survey
 - Detailed information on relationship between income and living standards
 - Detailed information on coping strategies



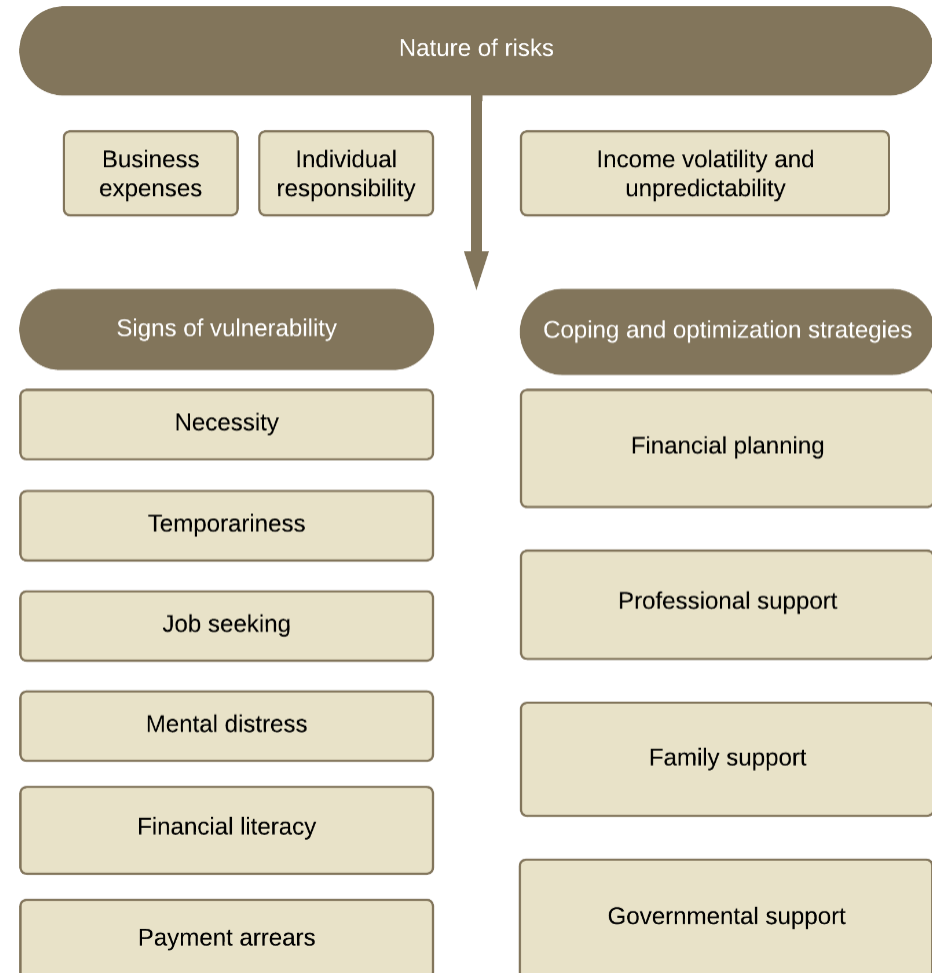
WP2: interviews

- 11 in-depth interviews
(1 more forthcoming)
 - 9 in self-employment, 3 with atypical contracts
- Coping strategies?
Locus of vulnerability?
 - Gaps in social protection

Nr	Name	Job	Type
1	Lorenz	Freelance journalist	Self-employed
2	August	Intern architect	Self-employed
3	Stijn	Physiotherapist	Self-employed
4	Alessio	Intern lawyer	Self-employed
5	Gül	Owner cleaning company	Self-employed
6	Rik	Consultant	Self-employed
7	Jan	Bike store owner	Self-employed
8	Annemie & Kurt	Restaurant owner	Self-employed
9	Marc	<i>Retired farmer</i>	<i>Self-employed</i>
10	Peter	Cleaner	Atypical: service voucher
11	Emily	Call centre worker	Atypical: week contract
12	Lukas	Food delivery rider	Atypical: day contract

Key insights WP2

- 3 overarching themes
 - Nature of risks
 - Signs of vulnerability
 - Coping and optimization strategies
- Concepts induced from data analysis
 - the basis of survey items



WP4: survey

- This survey will provide us with
 - 1 Detailed information on how changing incomes translate into living standards
 - 2 Detailed information on strategies adopted to cope with uncertainty and volatile incomes
 - 3 This for a large sample including different types of non-standard workers in Belgium

WP4: survey

- Development survey
 - Basic concepts (poverty, material deprivation, etc) and socioeconomic characteristics based on EU-SILC to ensure comparability
 - New items on vulnerability and coping strategies drawn from qualitative data
 - Cognitive and pilot testing
- Sample
 - Which occupations and sectors? Purposive sampling strategy
 - Input from RSVZ and others?
 - How to ensure sufficient diversity and representativeness?
 - For non-standard work: align with CHANGE
 - Disseminate through organizations
 - Other strategies/ideas?

Questions and feedback

- Survey
 - Blind spots concepts?
- Sample
 - Purposive sampling based on administrative data?
 - Data representativeness and diversity?

Atypical, not identical: assessing variation in vulnerability in non-standard work forms in Belgium

3-01-2025

Content

- **Current paper**
- **Administrative dataset**
- **Next paper ideas**

Introduction

- Labour market segmentation
 - Persistent differences in the working conditions
 - Persistent divisions by race, gender and education
 - Rise of non-standard-employment (NSE) exacerbates these divisions
 - Defined by income uncertainty and employment instability
 - Rising in-work poverty
- Need to consider different work contracts when analysing employment vulnerabilities and poverty dynamics

Contribution

- In general: NSE is associated with less favourable working conditions and wages
- However:
 - Variations in the profiles / motivation between specific NSW forms
 - Great variation in protection and aims of contracts (legal literature)
 - Rarely assessed for more detailed work forms in Belgium
- **Gap:** Limited understanding of how employment vulnerabilities vary among non-standard workers and their specific impact on household poverty.
- **Aim:** Do specific forms of non-standard work cause individual and household vulnerabilities in Belgium after accounting for selection effects?

Consequences of NSE?

NSW	NSW work type	Hourly wages	Unemployment spells	Working hours	In-work poverty
Temporary	Fixed-term	Equal	Higher	Equal	Higher
	Agency worker	Equal	Higher	Lower	Higher
Tripartite	Service voucher	Lower	Equal	Lower	Higher

Does part-time work render non-standard workers even more vulnerable?

Data and variables

- BLFS dataset: allows for more observations per NSW type
- 4 types of non-standard work identified:
 - Fixed-term contract
 - Temporary agency worker
 - Service voucher employee
 - Upward comparison: civil servant
- Vulnerabilities:
 - Individual level: lower gross hourly wages, hours usually worked & unemployment spells
 - Household level: at risk of poverty
- ADI dataset:
 - Administrative AROP
 - Following BE-SILC AROP
- Wave 1 of every respondent selected in 2017-2020

Method – propensity score matching

- **Solution selection problem?**

- Combines individual factors that influence both the selection into NSW and higher vulnerabilities

- 1) Estimating the propensity score using logistic regression

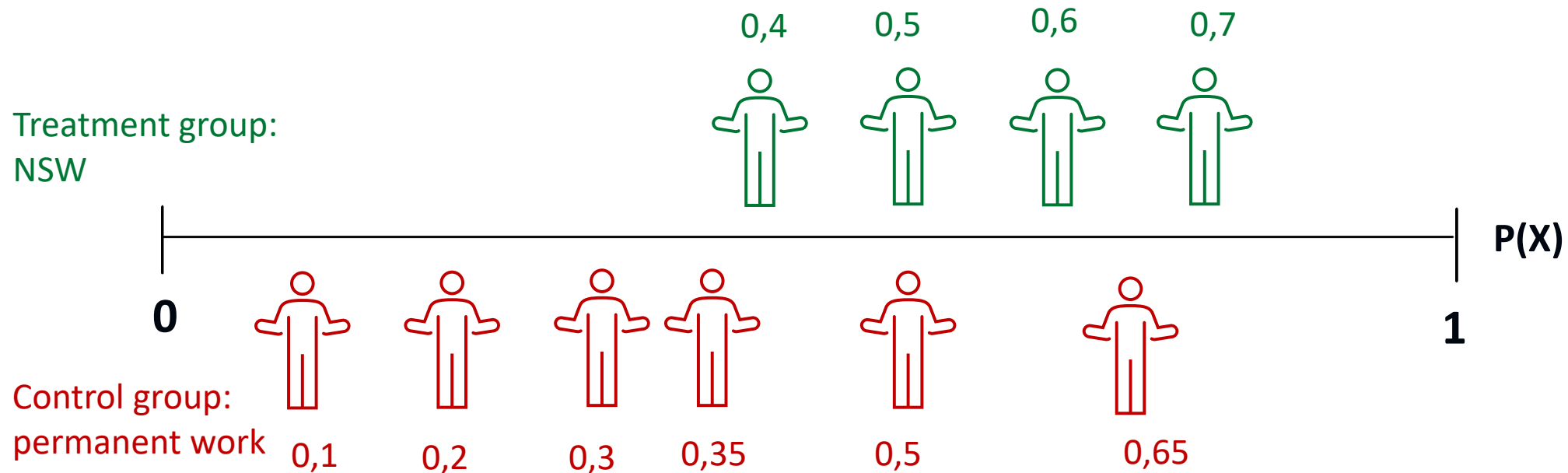
- Treatment (D): being in a NSE

- 2) Matching: compare outcomes between NSE and hypothetical scenario of being in a permanent contract

- Average treatment effect:
- $ATT = E(Y_1 - Y_0 | D=1)$ (1)
- $Y_0 \perp D | X$ (2)

Nearest Neighbor Matching – estimating the ATT

- Using the most similar unit of the control group (one 'twin')
- Similarity is measured based on propensity scores



Average effect of NSW on the logarithm of gross hourly wage

	N Treated	N Matched controls	ATT	(s.e.)
Civil servant	7035	31786	0,076***	0,0066
Fixed term	2732	25522	-0,18***	0,012
Agency worker	1093	17334	-0,037**	0,016
Service voucher	1410	9211	-0,32***	0,015

Source: BLFS 2017-2020; Own calculations.

Notes: * Significance at 10 per cent level; * significance at 5 per cent level; ** significance at 1 per cent level

What effect does a fixed-term / agency work / service voucher contract have on hourly wage instead of working in a permanent contract?

Average effect of NSW on the logarithm of hours usually worked

	N Treated	N Matched controls	ATT	(s.e.)
Civil servant	7271	40497	-0,034***	0,0042
Fixed term	2961	32007	-0,12***	0,01
Agency worker	1159	20884	-0,069***	0,014
Service voucher	1457	10609	-0,16***	0,013

Source: BLFS 2017-2020; Own calculations.

Notes: * Significance at 10 per cent level; * significance at 5 per cent level; ** significance at 1 per cent level

What effect does a fixed-term / agency work / service voucher contract have on hours usually worked instead of working in a permanent contract?

Average effect of NSW on the probability of an unemployment spell

	N Treated	N Matched controls	ATT	(s.e.)
Civil servant	3716	18936	-0,016***	0,0021
Fixed term	1238	12735	0,088***	0,011
Agency worker	486	7633	0,1***	0,018
Service voucher	653	4459	-0,026***	0,0089

Source: BLFS 2017-2020; Own calculations.

Notes: * Significance at 10 per cent level; * significance at 5 per cent level; ** significance at 1 per cent level

What effect does a fixed-term / agency work / service voucher contract have on the probability of an unemployment spell instead of working in a permanent contract?

Average effect of NSW on the probability of being at risk of poverty

	N Treated	N Matched controls	ATT	(s.e.)
Civil servant	7219	40457	-0,023***	0,0015
Fixed term	2898	31755	0,032***	0,0067
Agency worker	1161	20843	0,019*	0,019
Service voucher	1444	10617	0,039***	0,011

Source: BLFS 2017-2020; Own calculations.

Notes: Results from NN-matching. * Significance at 10 per cent level; ** significance at 5 per cent level; *** significance at 1 per cent level.

What effect does a fixed-term / agency work / service voucher contract have on the probability of being at risk of poverty instead of working in a permanent contract?

Heterogeneous effects part-time work

	Difference in log hourly wages between FT & PT workers				Difference in arpop between FT & PT workers			
	F-statistic	Prob > F	Difference in ATT	Std. Err.	F-statistic	Prob > F	Difference in ATT	Std. Err.
Civil servant	47,25	0,00	-0,12	0,017	0,00	1,00	2,36 ^{e-07}	0,0046
Fixed-term	48,65	0,00	-0,19***	0,027	0,39	0,53	0,0097	0,015
Agency worker	29,46	0,00	-0,24***	0,044	0,32	0,57	0,016	0,029
Service voucher	2,30	0,13	-0,054	0,036	0,73	0,39	0,023	0,027

Source: BLFS 2017-2020; Own calculations.

Notes: Results from NN-matching. * Significance at 10 per cent level; ** significance at 5 per cent level; *** significance at 1 per cent level.

Conclusions

- Service voucher employees still experience higher income insecurities and poverty rates although we check for selection effects
- Agency workers are more likely to experience unemployment spells
- Fixed-term workers experience an overall higher level of vulnerability in comparison to permanent workers
- Part-time work does not render non-standard workers more vulnerable on the household level

What about

- Longitudinal perspective?
 - Income volatility
 - Employment trajectories
 - Persistent problems?
- Interaction with social security / assistance systems
- Interaction with household decisions

→ Register data

Data request

- Monthly, quarterly and annual data on work statuses, wages, benefits and replacement incomes
- Target population: working population in the period **2016-2022**
- Interest groups: (1) agency workers, (2) flexi-workers, (3) part-time workers, (4) short-time contracts, (5) persons with multiple jobs, (6) self-employed
- Allows to
 - Identify (more) atypical employment forms (<-> survey data) and their income
 - Identify transitions in and out of certain employment forms, activity statuses and benefit receipts
- No access to IPCAL data
 - No information on total (household) income, taxes and specific income from non-standard work (e.g. platform work)

RQ (1)

- Related research:
 - **Stepping stone career patterns** in the Netherlands for temporary workers (Mattijssen & Pavlopoulos, 2019)
 - **Wage penalties** for temporary workers in later careers in Germany (Fauser, 2020)
 - Ambiguous effects of the service voucher system on **employment trajectories** (Lens et al., 2023)
- Method: longitudinal perspective - multichannel sequence analysis
- Interaction between income and employment insecurity
- **RQ: Provide a descriptive picture of employment and income insecurities of non-standard work careers in Belgium.**

RQ (2)

- To what extent does non-standard work (NSW) protect or hinder vulnerability?
 - Economic vulnerability = within-year income stability, impact on annual incomes, average incomes for the following year, cumulative wage disadvantages etc.
 - Per employment trajectory
 - Decomposition of income volatility into between-year and within-year volatility
 - Repercussions elsewhere in the household
 - Method: Longitudinal analysis combined with matching
 - Causal effects
- **RQ: How do different types of unstable employment trajectories contribute to economic vulnerabilities?**

RQ (3)

- To what extent are specific high-risk groups of non-standard workers under protected?
 - Coverage and net replacement ratios
 - Effectiveness of our social insurance and assistance system
 - Compare risk factors and NSW types
- **RQ: How are non-standard workers covered by social insurance and welfare benefits during periods of intermittent inactivity?**

Feedback?

- **Current paper:**

- Decomposition of poverty risk
- Self-employment

- **Next ideas:**

- Sequence analysis relevant?
- Any suggestions on how to approach my last RQ?