

# JOB BENEFITS AND PROTECTIONS FOR 21<sup>ST</sup> CENTURY WORKERS

*The article below is an English adaptation of the second working paper in the series, on the changing nature of work and employee benefits. You can read the original on the “2017/2027” French-language website [here](#).*

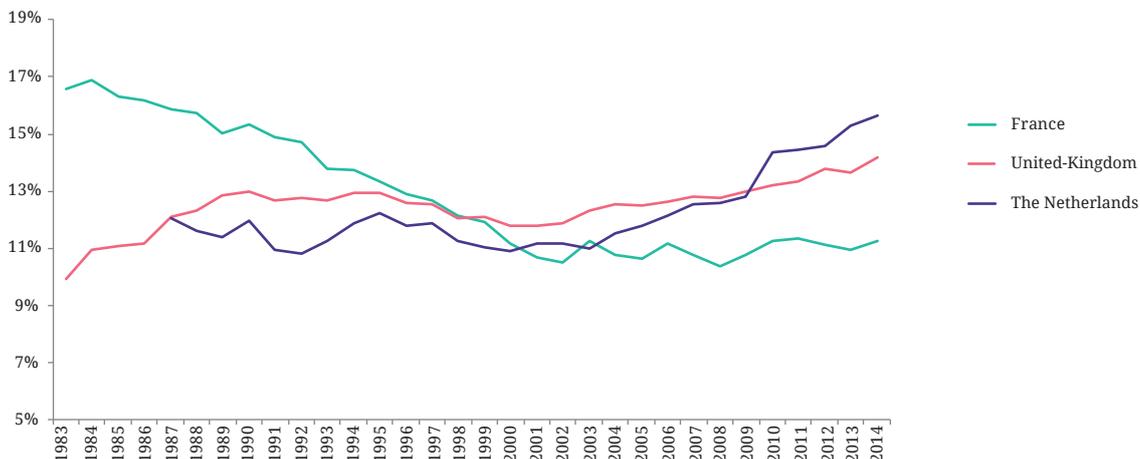
The workplace is undeniably in the midst of profound change. Not only has job security been battered over the past few decades, but the very nature of work is being transformed in the digital age.

In addition to an uptick in short-term contracts in many countries, more and more workers are forsaking the traditional subordinated employee-employer relationship for more flexible working arrangements. Witness the rise in part-time work and freelancing and their facilitation by online platforms.

In the face of this, it is becoming increasingly clear across advanced economies that the current framework for employee benefits and protections is failing these non-traditional workers.

France Stratégie analysts Cécile Jolly, Emmanuelle Prouet and Vanessa Wisnia-Weill examine this in a recent paper, asking whether the rules need to be adapted or rewritten outright to provide these workers with an employment safety net.

1 PERCENTAGE OF SELF-EMPLOYED WORKERS IN FRANCE, THE UK AND THE NETHERLANDS, 1983-2014



SOURCE : Eurostat, “Labour Force Survey”, 15 to 64-year-olds (Metropolitan France).

## MAY 2016

FRANCE WILL FACE IMPORTANT CHALLENGES WHEN IT GOES TO THE POLLS IN 2017 TO ELECT ITS NEXT PRESIDENT. TO BOTH FOSTER AND INFORM DEBATE AMONG CITIZENS IN THE MONTHS LEADING UP TO THE ELECTIONS, FRANCE STRATÉGIE HAS LAUNCHED ITS “2017/2027” PROJECT. IT AIMS TO ZERO IN ON WHAT IS LIKELY TO SHAPE POLICY OVER THE NEXT DECADE BY PUBLISHING A SERIES OF WORKING PAPERS ON TWELVE ISSUES VITAL TO THE FUTURE OF THE COUNTRY. MEMBERS OF THE PUBLIC WILL BE ABLE TO SUBMIT WRITTEN REACTIONS ONLINE. A DEBATE WITH THE AUTHOR(S) AND OTHER EXPERTS WILL THEN BE ORGANIZED FOR EACH ISSUE ON THE BASIS OF THE WORKING PAPER AND THE SUBMISSIONS.

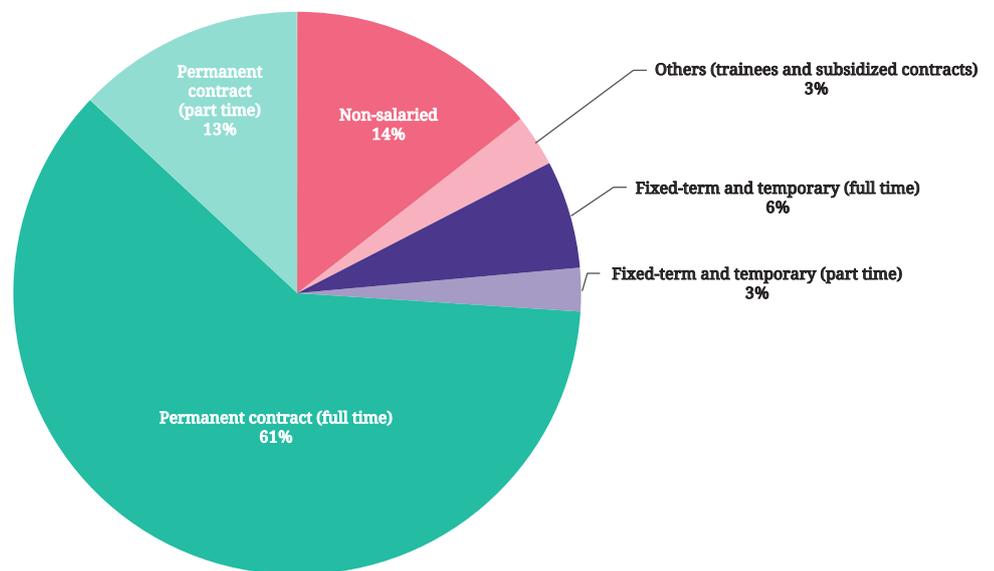
## AN OUTDATED MODEL

Stable full-time salaried employment is the cornerstone on which the labour code and employee benefits were built in the aftermath of World War II. Its erosion over the past few decades consequently has significant social ramifications.

Short-term contracts, part-time work and freelancing have all become more commonplace across many European countries (graphs ❶ and ❷). Online platforms

and the on-demand economy have only intensified this trend. Many of these new workers often lack the assets that, say, a traditional shopkeeper or doctor might have. And they are also more prone to being unemployed for periods of time. Using data from the National Statistics Office (Insee), the authors calculate that workers on short-term or interim contracts were eight times more likely to be unemployed the following year than workers on permanent contracts.

❷ PERCENTAGE OF TYPES OF FULL-TIME AND PART-TIME WORK IN FRANCE, 2014  
(EXCLUDING THE PUBLIC SECTOR)



NOTE : Metropolitan France, working population 15 and over.

SOURCE : France Stratégie, based on Insee data, 2014.

The on-demand, or gig, economy brings these changes to a head, in a certain sense. Workers have arguably more control over their work than ever before. Indeed, the very nature of the relationship between those who provide the services and those who intermediate between them and end-users – i.e. the platforms – has been called into question.

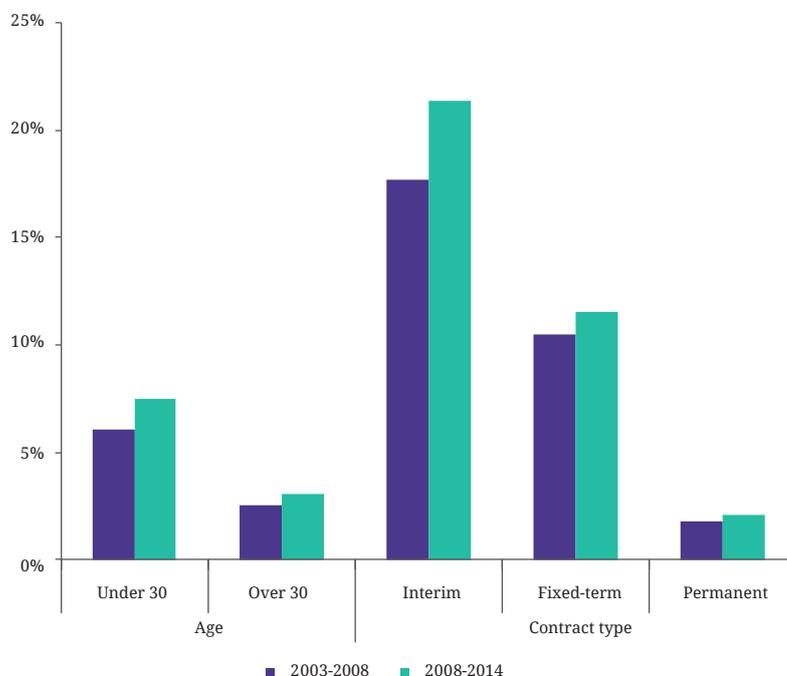
All of which has effectively created a breach in workers' rights in many countries for the simple reason that labour law is built around job status and seniority.

A surge in unemployment has also played a role in destabilizing the model. The authors point to a 2006

French study, which revealed that at the time in France one out of two people born after 1960 had experienced periods of joblessness in their career as opposed to less than a quarter for people born before 1950, even though the former were younger than the latter at the time of the survey.

Young people have been hit particularly hard, with those under 30 in France two-and-a-half-times as likely to be unemployed in the year following their hire as those over 30 (graph ❸). They are also more likely to be hired on a fixed-term contract, which has become an increasingly common way of taking on staff in an uncertain economy.

3 ANNUAL RATE OF TRANSITION FROM EMPLOYMENT TO UNEMPLOYMENT,  
ACCORDING TO AGE AND CONTRACT TYPE, 2003-2014



NOTE : Metropolitan France, private sector workers 15 and over (age last day of week of reference).

SOURCE : France Stratégie, based on employment surveys from Insee.

## GETTING IT RIGHT

It is clear the changing job market is leading to new, more flexible ways of working. The question is whether the different measures undertaken to adapt legal frameworks in various countries will be sufficient to guarantee adequate benefits and protections for non-traditional workers.

Today, there is clearly still a gap between those workers who don't fall into the category of traditional salaried workers and those who do: The latter typically enjoy more benefits and legal protections.

Jolly, Prouet and Wisnia-Weill stress the few changes that have been made to the legal framework have not yet called into question the separation between salaried workers and non-salaried workers.

That said, the new forms of work present a significant challenge to labour law, requiring policy makers

to perhaps rethink the employee-employer relationship. If self-employed workers with multiple employers are to bargain collectively for benefits, for example, they will need effective representation.

Moreover, as mentioned above, defining work itself risks becoming highly problematic when individuals can leverage their image, property or data for commercial gain. Determining time spent working and what constitutes the workplace – which is necessary to ensure job security and provide coverage in the event of an accident – is also fraught with difficulty when workers are highly mobile.

## A NEW EMPLOYMENT SAFETY NET?

Whether it's collective bargaining, employment contracts, working conditions, training, unemployment insurance or pensions, public policy will have to address the changing nature of work in the decade to come.

Adapted by  
Richard Venturi,  
based on “*Nouvelles  
formes du travail  
et de la protection  
des actifs*” by  
Cécile Jolly,  
Emmanuelle Prouet  
and Vanessa  
Wisnia-Weill

Press contact:  
Jean-Michel Roullé,  
director, publishing  
and communications  
+33 (0)1 42 75 61 37,  
jean-michel.roulle@  
strategie.gouv.fr

Joris Aubrespin,  
press officer  
+33 (0)1 42 75 60 27  
+33 (0)6 20 78 57 18  
joris.aubrespin@  
strategie.gouv.fr

France Stratégie  
18, rue de Martignac  
75700 Paris SP 07  
+33 (0)1 42 75 60 00

France Stratégie is a  
policy institute dedicated  
to informing and  
enriching the public  
debate. It anticipates  
economic and social shifts  
by engaging with civil  
society and the public and  
private sectors at home  
and abroad. Its policy  
recommendations sketch  
out a strategic vision for  
both France and Europe.  
Combining breadth with  
depth, its research covers  
employment, sustainable  
development, economics  
and social issues.  
France Stratégie is a  
forum for interdisciplinary  
ideas and expertise,  
overseeing a network of  
eight specialized bodies.

The authors posit there are three options:

- Keep the salaried/self-employed dichotomy while tweaking the legal framework to extend certain benefits to those lacking job security
- Create an intermediate legal status covering the new forms of employment
- Overhaul the legal framework surrounding employment and job benefits, creating new employment rights and what in the US has been referred to as *shared security*, i.e. an employment safety net for the entire workforce

All of these possible paths raise serious questions. For the first option, how can independent workers be considered salaried if their “employers” have little control over their hours or their working conditions? And how can unemployment insurance be financed if it’s extended to the self-employed?

One way of adapting the current legal framework without creating another status or replacing it altogether is to create an individual employment account (the proposed *compte personnel d’activité* in France is an example). The idea is to make job benefits more portable, allowing workers to save them in the form of points and not lose them when they switch jobs.

With respect to an intermediate legal status for independent workers, if it were created, as is the case in Spain, would it necessarily cover all workers not entirely self-employed yet not fully salaried? And to what extent would their “employers” foot the bill for their benefits?

The third option would represent a radical break from the old model. The idea would be to create a legal status for the entire workforce, providing job benefits based on the level of subordination, with an absolute minimum guaranteed.

This would also be accompanied by an individual employment account, effectively severing the link between job benefits and job status: a person would accumulate benefits based on employment activity and not job status. A unified pensions plan would also be created.

Again, there would be questions to be ironed out, namely, what would the different levels of employment benefits be? How would this shared security be financed? And what would its extent be?

Whatever path is chosen, there is no question the rules governing employment must be at the very least be adapted, if not rewritten, to match the reality of the 21<sup>st</sup> century job market.

## FOLLOW US

VISIT OUR FRENCH-LANGUAGE  
WEBSITE TO FIND OUT MORE ABOUT  
THE PROJECT



[www.francestrategie1727.fr](http://www.francestrategie1727.fr)  
#FS1727

GET FRANCE STRATÉGIE’S  
LATEST NEWS

[francestrategie](https://www.facebook.com/francestrategie)

[@Strategie\\_Gouv](https://twitter.com/Strategie_Gouv)

[www.strategie.gouv.fr](http://www.strategie.gouv.fr)