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# Challenges in extending social security coverage to the self-employed and platform workers

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ILO Decent Work Team in Bangkok, Thailand

**Social security for the self-employed and platform workers**  
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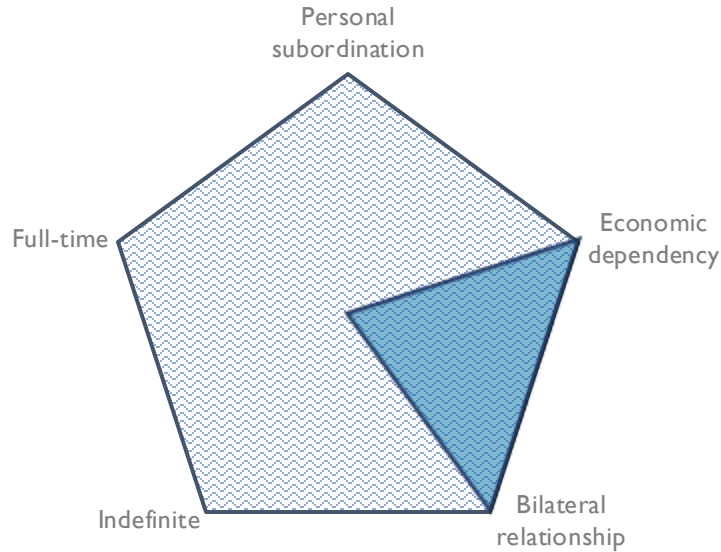
# Recurrent and new challenges of extending social security in Asia and the Pacific

- Large and persistent informal economy.
- Scarce regular employment, and emerging non-standard employment including platform work.
- Technological change and climate action will displace jobs but create new jobs.
- Growing number of international migrant workers.

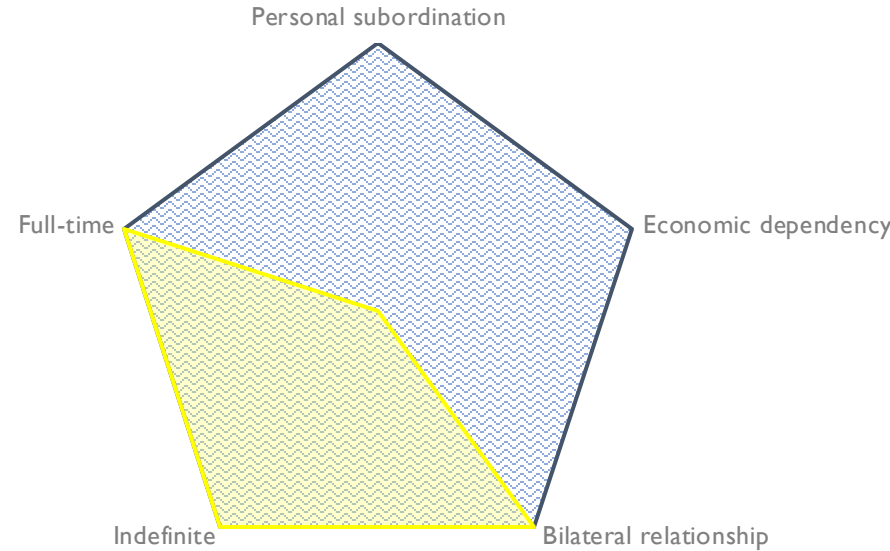
## A classification of workers

	<b>Workers in employment for pay</b>	<b>Workers in employment for profit</b>
<b>Independent workers</b>	<ul style="list-style-type: none"> <li>• Employers in corporations</li> <li>• Owner-operators of corporations without employees</li> </ul>	<ul style="list-style-type: none"> <li>• Employers in household market enterprises</li> <li>• Own-account workers in household market enterprises without employees</li> </ul>
<b>Dependent workers</b>	<ul style="list-style-type: none"> <li>• Permanent employees</li> <li>• Fixed-term employees</li> <li>• Short-term and casual employees</li> <li>• Paid apprentices, trainees and interns</li> </ul>	<ul style="list-style-type: none"> <li>• Dependent contractors</li> <li>• Contributing family workers</li> </ul>

# Deviation from standard employment



**Economically dependent self-employed**

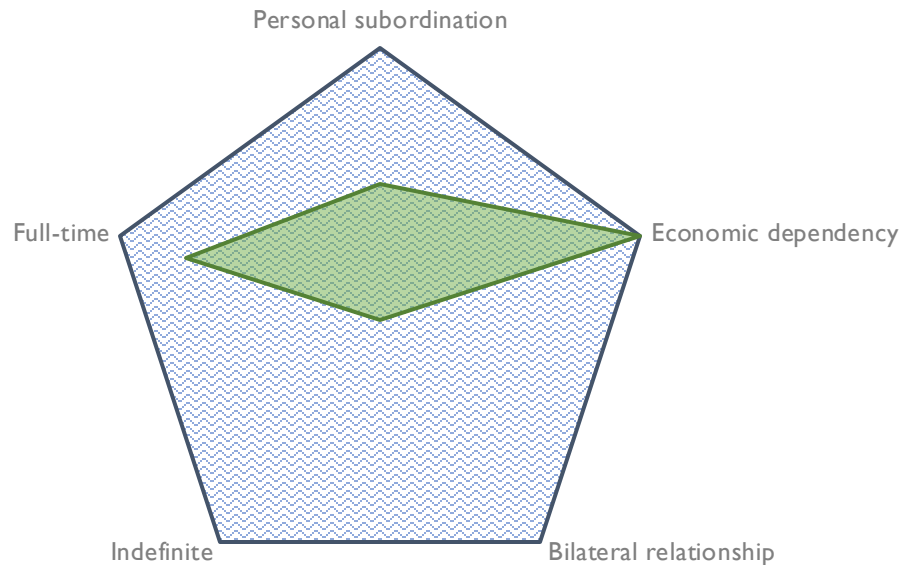


**Owner-managers**

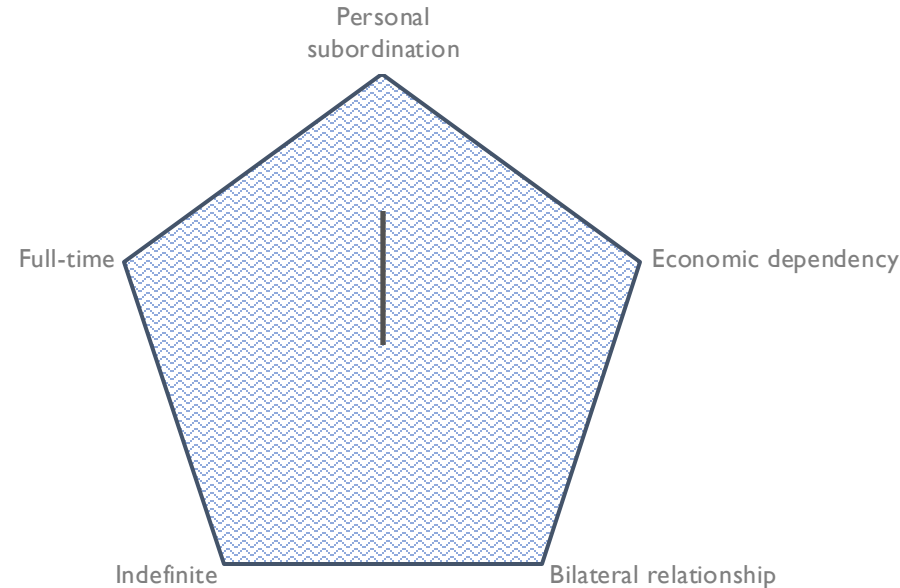
Source: Schoukens, P., & Barrio Fernandez, A. (2017). The changing concept of work: When does

typical work become atypical. *European Labour Law Journal*, 8(4), 306-332.

# Deviation from standard employment



## Temporary agency work



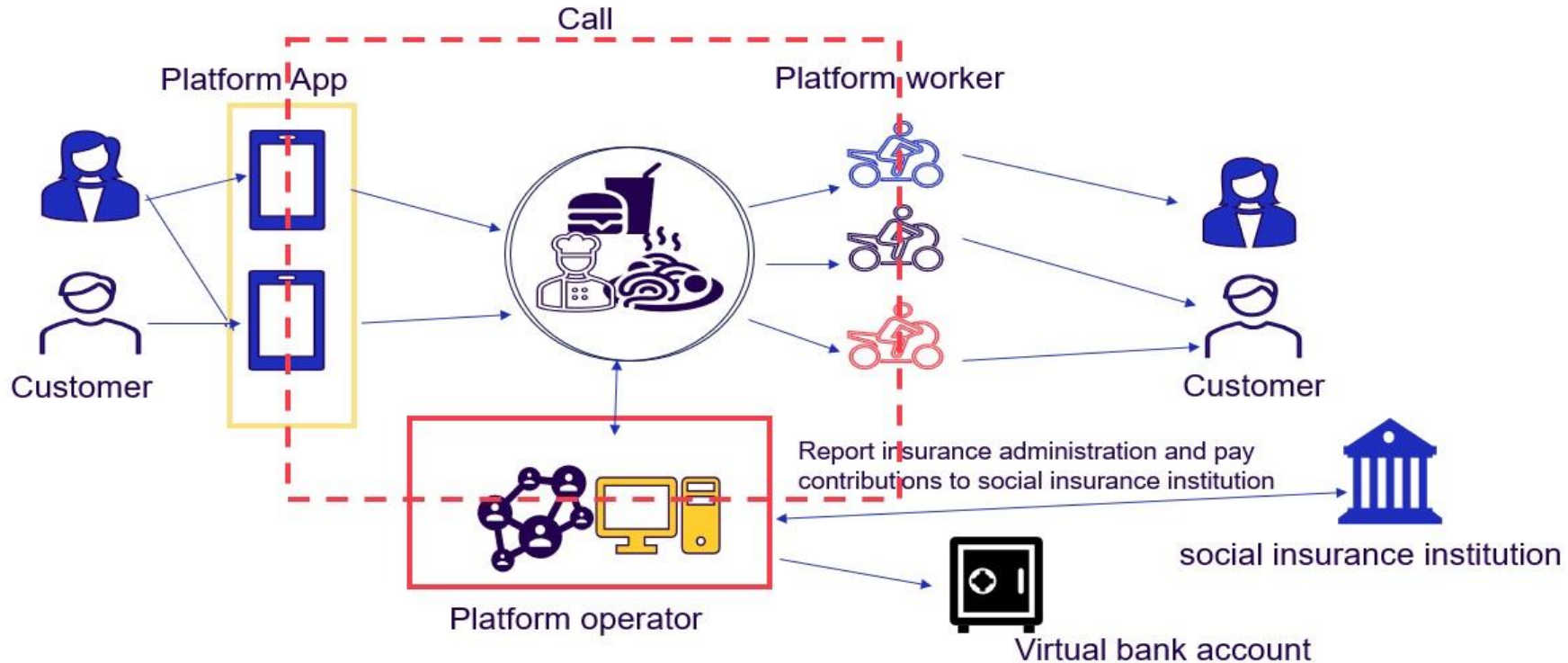
## Crowd workers

Source: Schoukens, P., & Barrio Fernandez, A. (2017). The changing concept of work: When does typical work become atypical. *European Labour Law Journal*, 8(4), 306-332.

## Adopting social security systems to the self-employed and platform workers

- Social security was originally established for salaried employees – it does not work if simply applied to the self-employed or platform workers.
- Lack of **direct employment relationship/responsibility** (bogus self-employment), multiple employers (platform workers)
- Difficulties in determining **insurable earnings** (low and unstable income, short work hours, unpaid works).
- High rates of contribution and costs of collection (self-employed).
- The benefit design not responsive to priority needs.
- Weak capacity for law enforcement and contribution collection.

# Policy and Digital Solutions to Extend Social Insurance to Platform Workers - Korea



## Some lessons from the recent Korean experience

- Growing need to extend social insurance (employment injury and employment insurance) for rapidly increasing digital platform workers during the COVID-19 pandemic. Support by social partners.
- The concept of labour provider was introduced to identify platform workers.
- The platform operators are responsible for electronically reporting the number and payments of platform workers and remitting social insurance contributions. (MOU between COMWELL and platform operators. Subsidies paid to platform operators).
- Digital technologies (API) play a crucial role in identifying income and collecting contributions from platform workers working with multiple platform companies in real time. This marked a shift to individual income-based taxation.





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# Q & A



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