

# **FREELANCE MUSICIANS: HOW TO ADDRESS SOCIAL PROTECTION GAPS?**

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# THE MUSIC INDUSTRY: TRENDS AND REALITY

- **Digitalisation** acts, driven by streaming, as a new **driver for the rise of self-employment** in the music industry.
- A mix of **labour and tax incentives** put forward by Governments have boosted self-employment,
- But **self-employment has always been inherent to the nature and characteristics of the music industry**



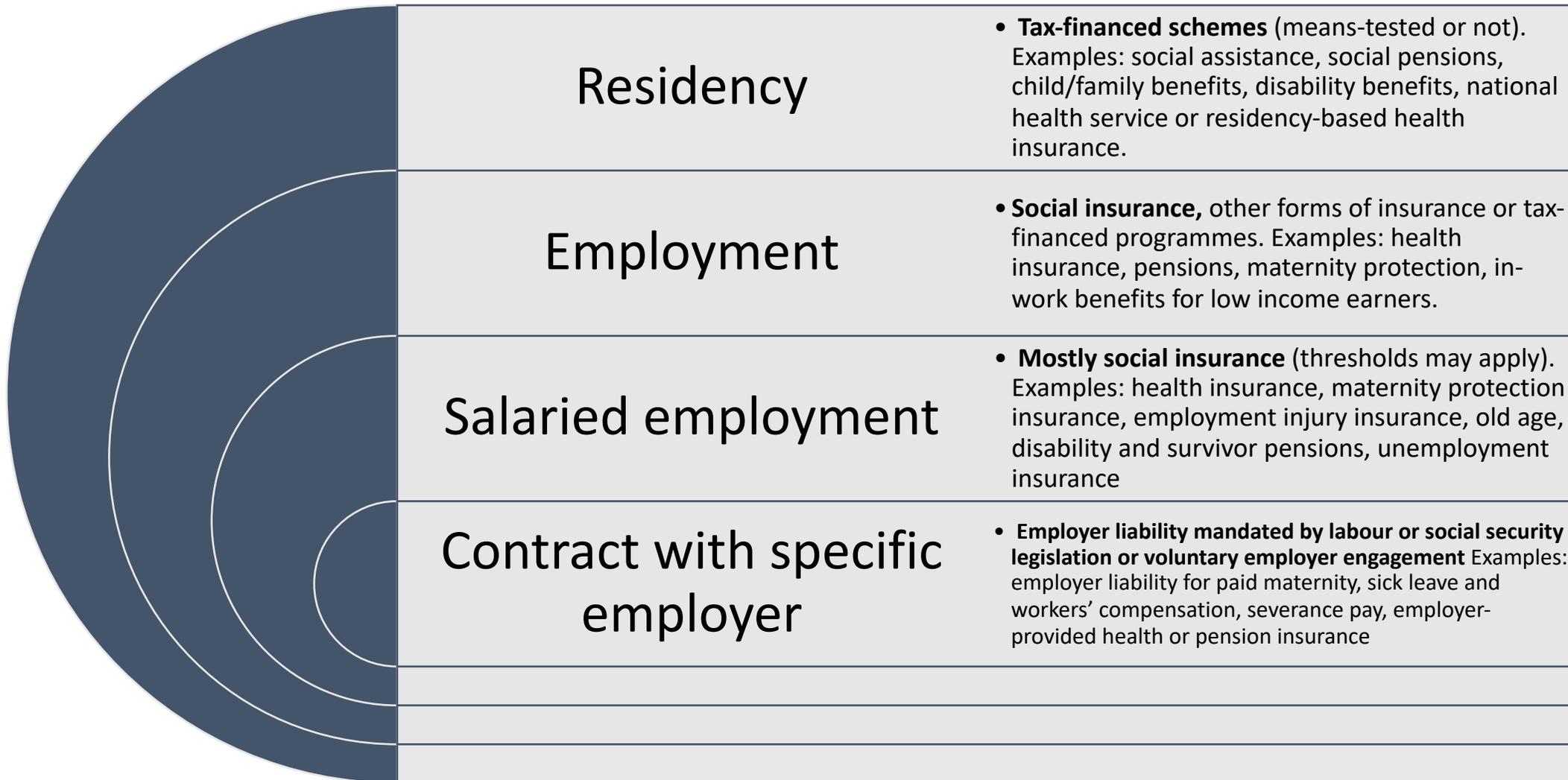
# CHANGING EMPLOYMENT RELATIONSHIPS

- Need to look at the situation of freelance musicians in the context of the **increasing fluidity of the employment relationships** beyond the sector
- There is a **blurred line** between standard employment, self-employment and NSFE
  - **Binary divide** employee and self-employed no longer applicable
  - Emergence of **non standard forms of employment** makes social protection gaps more difficult to address



# ADDRESSING **SOCIAL PROTECTION GAPS AMONG SELF-EMPLOYED**

- Different protection systems depending on the countries



# THE NORMATIVE INTERNATIONAL FRAMEWORK ON SOCIAL PROTECTION

- Between 1919 and 2010, ILO adopted **31 Conventions and Recommendations on social security** (16.5 % of all ILS, 11.5 % of total ratifications)
- All the countries here have ratified one or more of the key conventions on social security, with the exception of **Australia, Canada, United States, Ghana and Namibia**



# HISTORICAL EVOLUTION OF STANDARD SETTING IN SOCIAL SECURITY – THREE GENERATIONS

## 1. Social insurance

- This is based on three principles: **compulsory** affiliation, administration by **non-profit and self-governing institutions**, administrative and financial **supervision of the state**.
- Each instrument had a **specific risk** and separate instruments were adopted to deal with **workers in industry and commerce, and agriculture**

## 2. More general concept of social security (as per C102)

- Social insurance is **one part only of a comprehensive policy** of social progress
- **Universal coverage**
- Provision of benefits compatible with human dignity
- **Social assistance to those not benefiting** from social insurance
- **Different branches were consolidated** into one unified social security system, broadening the range of risks (medical care, family benefits, extended protection to self-employed)
- **Minimum standards** but not lower than the ones of the first generation, with temporary exceptions for developing countries

## 3. Social protection

- **raising the level of protection** offered,
- broadening the concept of social security **to include additional forms of social benefits, support and services**.
- This generation **revised the first generation instruments** on the basis of the common principles set by C102



# SOCIAL SECURITY STANDARDS – WHAT THEY COVER

Medical care	<u>Social Security (Minimum Standards) Convention, 1952 (No. 102)</u>	<u>Equality of Treatment (Social Security) Convention, 1962 (No. 118)</u>	<u>C130 - Medical Care and Sickness Benefits Convention, 1969 (No. 130)</u>	
Sickness			<u>C128 - Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128)</u>	
Old age			<u>C121 - Employment Injury Benefits Convention, 1964 [Schedule I amended in 1980] (No. 121)</u>	
Invalidity			<u>C157 - Maintenance of Social Security Rights Convention, 1982 (No. 157)</u>	
Survivors			<u>C183 - Maternity Protection Convention, 2000 (No. 183)</u>	
Employment injury			<u>C168 - Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168)</u>	
Family				
Maternity				
Unemployment				



# RECOMMENDATION ON SOCIAL PROTECTION FLOORS, 2012 (NO. 202)

## Social Protection Floors Recommendation, 2012 (No. 202)

- ❖ It gives guidance on **introducing or maintaining social security floors** and on implementing social protection floors as part of strategies to extend higher levels of social security to as many people as possible, in accordance with the guidelines set out in ILO standards relating to social security.
  - **access to essential health care**, including maternity care;
  - **basic income security for children**, providing access to nutrition, education, care and any other necessary goods and services;
  - **basic income security for persons in active age who are unable** to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability;
  - **basic income security for older persons**.



# GENERAL ISSUES AND INSIGHTS FROM THE SOCIAL SECURITY FRAMEWORK SET BY THE ILO

- Framework is the **reflection of industrial growth** where beneficiary is blue collar worker or industrial labourer
- **Economy shifting towards services and information**, and developing countries still characterized by high levels of **informality**
- **Issue of applicability and adaptability of instruments to changing social and economy conditions**, characterized by fragmenting labour markets of the service economies, increase in flexible, temporary, atypical and precarious forms of employment and of their extension to informal economy workers, as well as their relevance in developing countries
- Need to broadly look at **the common principles** they embody:
  - Social solidarity
  - Risk pooling
  - collective financing
  - guaranteed minimum level of protection
  - supervision by a public authority
  - participatory management
  - strong role of the social partners
  - overall responsibility of the State
- These instruments offer **the opportunity to implement a combination of systems**, from contributory to non-contributory, voluntary to compulsory, **progressive implementation of social security** according to country's available resources



# SOCIAL INSURANCE COVERAGE FOR SELF-EMPLOYED WORKERS – SPECTRUM

Full to  
high  
access

Self-employed workers **are required to be insured** under the different insurance-based schemes

High to  
medium  
access

Self-employed workers **are not mandatorily insured** under one or more insurance-based schemes that are mandatory for salaried employees. But **they can voluntarily opt into one or several schemes.**

Medium  
to low  
access

The self-employed **are not required to be insured** under one or more insurance-based schemes that are mandatory for salaried employees. **They may opt into some schemes, but are excluded from others.**

Low to no  
access

Self-employed **workers are not mandatorily insured** under one or more insurance-based schemes that are mandatory for salaried employees, and **they cannot opt into any of the schemes** (most frequently unemployment insurance or work injury schemes)



# WHAT ARE THE ISSUES FOR FREELANCE / SELF-EMPLOYED?

- Statutory provisions exclude in part or totally these workers because of **short tenure, low earnings, or number of working hours;**
- Often gravitating between formal and informal. Issues encompass **weak compliance, limited contributory capacity, complex administrative procedures,**
- Self-employed in a grey area often **excluded from programmes targeting at poor individuals or households;**



**WHAT CAN BE DONE TO IMPROVE COVERAGE OF  
SELF-EMPLOYED, IN PARTICULAR FREELANCE  
MUSICIANS?**



# CURRENT DEBATE AROUND SOCIAL PROTECTION

**ILO Global Commission on the Future of Work:** «Universal Labour Guarantee»

- new set of protections as universal, and
- applicable to all workers without distinctions based on employment status,
- related to occupational safety and health as well as to working time and living wages

Organizing social protection over an **entire career and not on the basis of an employment contract or job status.**

- First, they should be **portable**, attached to individual workers rather than to their employers.
- Second, they should be **universal**, applying to all workers (regardless of employment status) and all forms of employment or work.
- **Portability vs fairness (redistribution): where** portable benefits are still linked to incomes or hours worked, need for measures to provide a **basic level of protection** for all to enjoy adequate protection, for **those with low contributory capacities**



# SOCIAL PROTECTION COVERAGE FOR SELF-EMPLOYED – GENERAL PRACTICES

It is to be noted that there is **not one single social protection system that work for everything.**

Different efforts to better cover self-employed workers encompass :

- **Integrating them into existing schemes or creating new schemes for this category/sector**
- **Facilitating the payment of social security contributions through voluntary participation in schemes**
  - **flexibility in contribution amounts**
  - **state subsidies**
  - **the reduction of threshold requirements for coverage,**



**Relaxing minimum thresholds on income, duration and working time for contribution purposes to facilitate coverage for some casual, on-demand and temporary workers as well as using differentiated contribution rates for self-employed workers (as in Spain)**

**Modifying the contribution collection schedule to accommodate the income patterns of self-employed workers, such as annual rather than monthly income (as in Sweden), or allowing lump sum or quarterly contributions (as in China).**

**Low and fluctuating incomes, inability to pay total contributions**

**Allowing for deferral of contributions during economic crises (as in Belgium) or interruptions in contribution periods (as in Cabo Verde)**

**Providing government subsidies for contributions of self-employed persons with very limited contributory capacities (as in Costa Rica). Korea and Tunisia have extended coverage for self-employed workers, mainly through mandatory contributory schemes where the employers' share of the contributions is subsidized**



**Simplifying administrative procedures**  
(registration, income declaration, record-keeping, contribution collection and benefit payment)

**Reducing the requirement for proof documents (as in Brazil) or by introducing auto enrolment (as in Canada, Chile, Italy, and New Zealand)**

**Addressing financial and administrative barriers**

**Better coordinating information between social security institutions, using a single registry, or centralized electronic information systems**

**Facilitating access to registration by opening service centres in areas with a high flow of self-employed workers (as in Cabo Verde and Rwanda)**



**Establishment of clear criteria to define dependent self-employment.**

**Creation of an intermediate category for economically dependent self-employed and extending access to social security (Austria, Germany, Italy, Spain and Romania).**

**Address dependent self-employment misclassification**

**Creation of a special and separate social security fund for economically dependent self-employed to avoid the sole use of such employment relationships as a means of reducing labour costs (Italy)**

**Extension of labour law to specific categories for which level of subordination is less evident: legal presumption (France for journalists and artists)**



**Ensuring that rights and entitlements are fully transferable between jobs and employment statuses, allowing all workers to accumulate and preserve entitlements across employers, contracts and between salaried work and self-employment**

**Ideally, a single general social security scheme should cover all types of workers for a given risk or contingency, provided that appropriate measures are taken to adapt the scheme to the specific requirements of self-employed workers.**

**Address labour mobility of self-employed workers**

**Example: in some countries workers are able to transfer their pension entitlements to the new place of employment or residence (Belgium, Denmark, France, Croatia, Luxembourg, Netherlands and Sweden)**



**THANK YOU**

