

# OECD *Multilingual Summaries*

## Policy Responses to New Forms of Work

### Summary in English



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Recent labour market trends have prompted countries to reflect on whether existing systems of labour legislation, lifelong learning, social protection, taxation and collective bargaining are still fit for purpose. While in some cases they are, in others policies may need to be adapted to ensure protection for vulnerable workers and to prevent abuse, and to ensure that firms that comply with the regulations are not unduly disadvantaged.

This report provides a snapshot of the policy actions being taken by countries in response to growing diversity in forms of employment, with the aim of encouraging peer learning where countries are facing similar issues. The findings are based on a survey by the OECD and the European Commission of 44 Ministries of Labour (or the ministry with responsibility for labour market policy) in OECD, EU and G20 countries, carried out primarily between June and August in 2018.

The survey shows that many countries are reflecting on whether existing policies and institutions are capable of addressing effectively the current (and future) challenges of a rapidly changing world of work. In some cases, they are. In cases where they are not, a number of countries are already taking action to ensure protection for vulnerable workers and to prevent abuse.

While each country's situation is different, the report highlights a number of areas of common concern. One key issue mentioned by many countries is that of self-employment and, in particular, the issue of misclassification and the challenge of classifying workers that fall in between the traditional definitions of dependent employment and self-employment. Many countries acknowledged that ensuring the correct classification is key to ensuring access to labour and social protection, as well as to collective bargaining and lifelong learning – but even beyond the issue of classification, countries have made efforts to extend rights, benefits and protections to previously unprotected workers. For some countries, reducing differences in tax treatment between contract types could help reduce the risk of misclassification.

Several countries also report significant media and public debate on the topic of platform work: how to classify these workers and how to ensure adequate working conditions. A number of countries have already taken policy action in relation to platforms in the passenger transport sector, regulating the way they operate and imposing reporting obligations in relation to taxation.

Concerns are also raised about working conditions in fixed-term contracts and in variable hours contracts, the potential excessive and/or improper use of these working arrangements, as well as the potential disproportionate impact on younger people and on new entrants to the labour market. Regulation has attempted to strike an appropriate balance, allowing flexibility while preventing firms from using these arrangements to circumvent regulations associated with standard employment.

Gaps in social protection for those in new forms of work are also high up the list of concerns, and several countries mentioned ways to improve coverage for vulnerable self-employed workers, to enhance portability for individuals moving between different employment statuses, and to provide multiple layers (contributory, means-tested and universal) of social protection.

Some countries are also considering ways to extend the right to collective bargaining rights to previously excluded groups of workers.

The list below presents a set of policy directions to guide policy makers in consolidating, reviewing and adapting policies and institutions in response to the emergence and growth in new forms of work.

## Policy directions

These policy directions will feed into a broader set of future of work policy directions, which will be set out in the OECD Employment Outlook 2019.

- Ensuring the correct classification of workers (and tackling misclassification) is essential to ensure that workers have access to labour and social protection, as well as to collective bargaining and lifelong learning.
- Countries should aim to minimise incentives for firms and workers to misclassify employment relationships as self-employment just in order to avoid tax and social contribution liabilities.
- Countries may want to consider extending rights and protections to workers in the “grey zone” between dependent employment and self-employment.
- Greater efforts are needed in some countries to ensure adequate working conditions in fixed-term, casual and platform work, and tackle the excessive and/or improper use of these forms of work.
- Social protection systems should be examined and, where necessary, reformed to improve access to benefits for workers in new forms of work.
- Governments may need to adapt existing strategies for Public Employment Services and public skills programmes to improve access and participation amongst those in new forms of work.
- Policymaking should be based on evidence rather than anecdotes and where countries are facing similar issues, peer learning can contribute to better policies.

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