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## **Rising platform work: Main conclusions**

**Technical Commission on Old-Age, Invalidity and Survivors' Insurance,**  
International Social Security Association  
Geneva

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# Rising platform work: Main conclusions

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Digitalization and its consequences for the Future of Work are a main global challenge for social security (ISSA, 2016). In particular, the emergence of digital work platforms (such as Uber or Upwork) has raised concerns about the sustainability and adequacy of social protection. The aim of a recent International Social Security Association (ISSA) project was, therefore, to assess the scope and insurance coverage of platform work. Additionally, good practices for social security to adapt to an expected rise in platform work have been collected. Based on the project report the following conclusion are made for ISSA member's consideration:

- **Monitor the scope, structure and development of the platform economy**

Participation in platform work has risen rapidly over the past years, but is still small in size. Available studies, mainly from developed countries, estimate that around 1-2 per cent of the adult population is active in this new work form. Yet, various factors speak in favour of a further, potentially very high growth of the platform economy. Consequently, the scope and development of platform work should be monitored closely by the ISSA and its members. It is also important to analyze the structure of platform work: Are workers earning the main income or only an extra income from platform work? Is platform work only a short "gig" in labour careers to fill breaks in between standard jobs or does it become a dominant part of labour careers? Answers to these questions can have important implications for appropriate social insurance design (see below).

- **Close existing legal insurance gaps**

In about one third of 30 countries surveyed worldwide self-employed platform work is not fully legally covered by statutory pension insurance. The legal coverage gap within other branches of social insurance, such as sickness or accident insurance, may be even wider. Such coverage gaps should be closed as far as possible to guarantee a solid financing base and adequate benefits of social protection also in the new world of work. Closing coverage gaps also ensures a level playing field between platform work and traditional forms of employment. Otherwise, well protected standard jobs could be at risk to be substituted by cheaper, non-protected platform jobs.

- **Lower income exemption limits of secondary jobs**

The majority of platform workers earn only an extra income with this new form of work. According to our study, such extra income is not covered by statutory pension insurance in about two thirds of countries surveyed. In other social insurance branches a similar coverage gap can be expected. As a result, a sizeable and potentially growing share of labour income remains out of social insurance with negative repercussions for public finances and adequacy

of social protection. Extra income should, therefore, be covered by social insurance as far as possible. Income exemption limits, up to which no social contributions have to be paid, should be lowered and add up – as a rule of thumb – to no more than 5 per cent of average full time earnings.

- **Start initiatives on income reporting and contribution collection by platforms**

Various countries have already implemented initiatives to obtain information on platform activities (see project report). Also a collection of social contributions by platforms has been established in a few countries. Such measures are vital to increase effective social insurance coverage and to fight often sizeable social fraud in the platform economy. A centralized collection of data and contributions also reduces administrative costs for platform workers and social insurance institutions. Administrative obligations of platforms should, however, be balanced not to overburden this relatively young digital economy. Thus, voluntary regimes, pilot projects with selected platforms or regulations which exclude smaller (start-up) platforms may be a good starting point to gather data and contributions from platforms.

- **Cooperate closer with tax authorities**

Tax authorities are often more advanced in the detection and income collection of platform income/levies than social insurance agencies (see report). Already today in nearly half of countries surveyed tax authorities inform statutory pension insurance about platform work incomes. Such data exchange increases the chance to detect social fraud. Cooperation with tax authorities should, therefore, be further strengthened. Additionally, a joint contribution/tax collection system should be considered to reduce double administration for self-employed.

2

- **Mandate platforms to provide information on social insurance rights and duties**

A lack of knowledge about available social protection is one reason for low effective social insurance coverage. To overcome this knowledge gap the digital economy creates new opportunities for well-targeted awareness campaigns. Platform workers can be informed directly at the platform about their duties and rights in terms of social insurance. Electronic links to the websites of the respective administrative authorities may be shown on the platform to provide workers with further information on social regulations only “one click” away. Such information should be provided by platforms on a mandatory basis.

- **Engage in the discussion how to cover global, online platform work**

All good practices from ISSA members regarding the gig economy are so far limited to local platform work (e.g. Uber). Thus, the unsolved question is how to raise social protection coverage of workers who are active across borders on online platforms (such as Upwork or Freelancer). Usually, these platforms have little incentives to comply with national regulations and the potential for social fraud is often substantial. The ISSA and its members should, therefore, foster the debate how to cover such global online platform work. Multilateral agreements, proposals by academics (Weber, 2018) as well as a cooperation with the Organisation for Economic Co-operation and Development (OECD), which already addresses this question primarily from a tax perspective, could be considered.

- **Further exchange good practices across the ISSA network**

National responses to the platform economy vary and are at different stages of development. A close exchange of good and bad practices is recommended to learn from other countries

experiences and to find appropriate solutions for the joint challenges of the digital economy. The ISSA network provides a unique fundament for this exchange.