

# Panel of Experts on the Platform Economy – Fourth meeting on 22 November 2017

## Summary: Organisation and insurance in the labour market of tomorrow

### Insurance (ALKA)

Alka, in cooperation with the Union of Commercial and Clerical Employees in Denmark (HK), has developed an insurance package for freelancers and other members who do many small jobs. This is because personal insurance policies and workers compensation insurance plans typically do not cover the work situations of freelancers.

At the request of HK, Alka has therefore developed an insurance package for freelancers, which contains:

- Insurance in the event of fire and water damage and theft (property insurance)
- Insurance in the event of loss of revenue/earnings
- Business liability insurance (if the freelancer causes damage or injury where the work is performed)
- Workers compensation insurance

The basic package costs DKK 2700 per year, and the insurance also covers all types of platform work, i.e. also work performed by HK members through international platforms.

It was emphasised that the insurance package was only developed because HK had requested it, i.e. it is an insurance that would not have been developed on market terms. An insurance covering the professional liability of advisors has not (yet) become a part of the insurance package.

### Pension (JØP)

The pensions area has for years been working with one and the same model for all members, but the pensions area is now witnessing a transition towards greater freedom of choice.

Surveys have shown that 59% of the millennium generation cannot see a pension product that is targeted at them.

JØP and other more commercial pension providers (PFA) have therefore developed a pension scheme offer for self-employed earners because the members of JØP include a growing number of freelancers (the Danish Society of Engineers (IDA) has 3000 freelancers and the Association of Danish Lawyers and Economists (Djøf) also has about 3000 freelancers).

The new pension offer caters for the needs of self-employed earners with a few years of experience. The following pension package is offered to this target group: A basic pension package providing coverage in the event of illness, accident, disability and death. It costs DKK 1600 per month. The package comes with a full range of optional add-ons against extra payment, such as survivorship annuity, health insurance, etc. People with a marginal labour market affiliation are not covered by the scheme.

Several of the platforms confirmed that it is difficult to make young people give priority to pension savings. It was therefore proposed to develop flexible pension schemes/products for people working through the digital task platforms where the individual worker will have the opportunity to choose whether they want to save for retirement every time they solve a task through the platform.

Although it is the responsibility of the individual worker to save for retirement, the consequences of opting out are not known to everyone. Besides, it should not be acceptable if the individual worker's deliberate choice to opt out may result in the expense being passed on to the community (the State).

However, pension providers will not be able to offer products to people taking up piecemeal jobs with varying employers and low incomes. That would not be worthwhile. Here the correct solution would be a banking product.

### The employer's view of organisation challenges

The Danish model is robust, and over the years the Labour Court has decided various disputes in which it was unclear whether a party should be categorised as an employer or worker.

New types of digital (platform) businesses have seen the light of day, but that does not change the fact that there are still only two categories: The worker category and the employer category, and the new businesses belong in the latter category – even if the people solving the tasks are self-employed freelancers with a business registration (CVR) number. They merely correspond to classic businesses that use subcontractors to solve their tasks.

The platform businesses determine themselves where they should be organised. Whether they want to apply for membership of the Confederation of Danish Enterprise, which today organises around 500 sole proprietorships, become members of a union or both will be entirely up to the individual platform.

There was broad consensus that there is no need to define a third category. The worker and employer categories are known quantities that work. And in relation to the new unemployment benefit system, it should be considered whether the decisive factor should be the work performed, regardless of whether it is performed by a self-employed earner or a worker.

Agreement was also reached on the need for a model that is continuously able to decide, in the majority of cases between the social partners, whether a party is an employer or worker. The purpose is to minimise the number of judicial decisions.

## Terms of reference

The panel will map out how Denmark can make full use of growth and job opportunities through the platform economy and will also raise awareness of the future implications of the changes for Danish society and the labour market, in particular.

### Objectives

- To present specific proposals for how Denmark can become a world leader in using the potential of the platform economy
- To raise awareness of the changes the platform economy creates for our society in general and our labour market in particular – and their impact on workers
- To analyse how the labour market and the Danish model are affected and secured in the platform economy
- To shed light on the types of jobs created by the platform economy

Over the course of 2017, the panel will discuss the development of the platform economy and expectations for future needs in the labour market and will present recommendations on how to strengthen the proliferation of the platform economy. The panel will meet for four theme sessions:

- 1) Digital platforms – new business models or an old business concept in new clothes?
- 2) Growth, tax and competition – between innovation and regulation
- 3) Digital platforms – and the social safety net
- 4) Digital task platforms ensuring proper working conditions – responsibility of trade unions

## Members of HK's and Akademikerne's – Panel of Experts on the Platform Economy

### Platform businesses

Michael Bugaj, Co-founder of Meploy  
Alexia Nielsen, Senior Marketing Manager, Upwork  
Mathias Linnemann, Worksome  
Steffen Hedebrandt, Airtame, and former Country Manager of Upwork Norden

### Experts

Martin von Haller, Lawyer specialised in IT law  
Marie Jull Sørensen, Associate Professor at Aalborg University, Department of Law  
Anna Ilsøe, Associate Professor at University of Copenhagen, FAOS  
Bent Greve, Full Professor of Social Science at Roskilde University

### Employee representatives

Geert Laier Christensen, Vice President, Confederation of Danish Enterprise  
Katia Østergaard, CEO, HORESTA

### Nordic representatives

Christl Kvam, State Secretary of the Ministry of Labour and Social Affairs, Norway  
Fredrik Söderqvist, Chief Economist of Unionen, Sweden

### Trade union representatives

Kent Pedersen, President, Financial Services Union Denmark  
Lars Werge, President, Danish Union of Journalists  
Lars Qvistgaard, President, Akademikerne  
Kim Simonsen, President, HK  
Nanna Højlund, Vice President, LO (Danish Confederation of Trade Unions)  
Simon Tøgem, President, HK/Private

### Representative of unemployment insurance funds

Verner Sand Kirk, President, Unemployment Insurance Funds in Denmark