

## Empowering Self-Employment: The Role of Social Security Law in European Markets

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**Abstract:** A developed state cannot function without social protection, which is an essential part of any contemporary state. This is particularly true of states that have acknowledged themselves as social states. The nature, requirements, and methods for attaining a high degree of social protection for workers and self-employed individuals have been the subject of vigorous discussion in most nations for a considerable amount of time. Academics argue over some parts of this topic because they affect all nations. Combining general scientific approaches with specialised scientific techniques forms the methodological basis of the investigation. This article aims to clarify, for the benefit of all EU citizens, how self-employed people are governed by social security law, with the ultimate goal of strengthening the regulatory framework and legal protections afforded to these individuals, so fostering an environment conducive to their growth as an economic sector within a mature market economy.

**Keywords:** European Union; self-employed person; social assistance; social insurance; social protection; social security.

### Introduction

Modern states implement social policy based on different models. However, in any case, the main goal of the social policy of a modern state is to ensure a high level of social protection for citizens. This goal is achieved through the social security system. Its main function is to guarantee social security (in terms of the established level and conditions of life) through activities aimed at reducing and compensating for the consequences of social risk (events that lead to loss or reduction of income).

The concept of "social security" is widely used in European countries, which is reflected in a specific branch of law - social security law. Thus, social security is a system of institutional tangible and intangible benefits aimed at ensuring and meeting the basic needs of all members of a particular community. This system is based on the idea of social solidarity, where, unlike the liberal doctrine, the role of the state in establishing social security is not in doubt. The state undertakes to play the role of coordinator and "fill" such legal measures as social insurance, social security, and social assistance with meaningful elements (Yaroshenko et al., 2023).

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Nevertheless, there is still no single, clearly defined definition of social security in the scientific literature. However, there are two main directions in which scholars interpret this concept. The first direction revolves around the concept of social security. The other direction suggests focusing on specific actions, standards, and mechanisms for implementing social security. In this case, the starting point may be the definition of social security as a minimum social standard that guarantees an appropriate standard of living for certain categories of citizens.

In particular, the International Social Security Labor Standards specify the minimum standards of social benefits and the conditions under which they are provided. They cover nine main areas of social security, namely: medical care, sickness, unemployment, old age, work-related injuries, family, pregnancy and childbirth, disability, and survivors' benefits. The level of minimum benefits can be determined by taking into account the level of wages in the respective country. Temporary exemptions are provided for countries whose economies and medical facilities are underdeveloped, which will allow them to limit the scope of the Convention and the coverage of specific benefits.

One of the forms of entrepreneurship is self-employment, which is of great value to any state, as it is a source of replenishment of the budget, state, pension, and social funds through the payment of taxes, social contributions, and other mandatory payments. In the current economic crisis, the international labor market is not very favorable, leading to widespread unemployment, and an increase in the number of unemployed citizens of working age, which ultimately poses a real threat to the state and public welfare (Kiselyova et al., 2023).

That is why the aspects of forming effective employment, creating an efficient labor market, preventing mass unemployment and labor migration are of particular importance. And self-employment can be a lifeline, because it is not for nothing that the International Labor Organization highly appreciates the prospects for its development and livelihood, defining it as a social factor that reduces tension in society.

Social protection of the self-employed is a multidimensional phenomenon that is constantly evolving and therefore requires constant study. Various aspects of social protection of the self-employed are covered by such national scholars as Prysiashenko and Kuzmenko (2018), Chornovol (2023), Slavich (2020), and Schoukens (2020). The purpose of the article is to determine the place of self-employed persons among the subjects of social security law of the European Union to further improve the regulatory provisions of legal support in the field of social security law for such persons to create a favorable microclimate for the development of self-employment as one of the links in a developed market economy.

## **Materials and Methods**

The methodological basis of the study is a set of general scientific and special methods and techniques of scientific knowledge. Their application is based on a systematic approach which makes it possible to study problems in the unity of their social content and legal form. The use of methods in their interrelationship contributed to the comprehensiveness, completeness, and objectivity of scientific research, specificity, and consistency of conclusions.

The main categories and concepts are defined using logical and semantic methods. Synthesis as a method of scientific cognition was used to summarize the data obtained as a result of the analysis of the properties and components of the issue of social protection of the

self-employed in the European Union (EU). The special legal method made it possible to conduct a meaningful analysis of the current state of legislative provisions, and to develop proposals for eliminating existing theoretical and legal contradictions, as well as legislative conflicts and gaps.

The systemic-structural and structural-functional methods were used to characterize the system of legal acts regulating the social protection of the self-employed in the EU. The analysis method is used to clarify the provisions of legal acts on social benefits, employment promotion, housing, social integration, and reintegration services, to characterize the procedural issues of social protection measures, and to determine the characteristics of law enforcement practice.

The comparative method was used to check the consistency of the norms enshrined in different legislative acts regulating the same social protection issues, as well as to study the experience of European states in this area. The formal legal method was used to substantiate ways to improve legislation in this area. The dialectical method allowed us to study the content of social protection of the self-employed. Abstraction and generalization were used in the process of studying existing works and in developing the author's scientific definitions of various legal issues and categories. Using the method of rational criticism, the author analyzed national and foreign regulations and case law and identified their advantages and disadvantages. The research methods were used comprehensively.

The practical significance of the research results is that the conclusions and proposals formulated in the article can be used in: the research area - for further study of theoretical and practical issues of social protection of the self-employed in the EU; law-making activities - to improve the regulatory framework for social protection of the self-employed; law enforcement activities - to improve the practice of application of legislation in the field of social protection of the self-employed.

## **Results**

Social protection is provided by international standards and recommendations. By the provisions of the Treaty establishing the European Community (Verkhovna Rada of Ukraine, 2005), every citizen of a member state is a citizen of the Union. Employees, self-employed persons, and members of their families are granted freedom of movement within the European Union (EU) (Article 18). However, this freedom of movement can lead to the loss of many social protection opportunities compared to those they have in their home country. To ensure a high level of social protection, to fulfill the provisions set out in the European Social Charter (Council of Europe, 1996) and the Community Charter of Fundamental Social Rights for Workers (Council of Europe, 1989), the Community takes measures that promote coordination of action in social protection and take into account the differences in national social protection legislation.

According to the legislation of the EU Member States, the right to a certain type of social protection and its provision depends on the amount and number of contributions made to the relevant social protection institutions. The right to social protection (pensions or benefits) may also be linked to the fact of residence in one of the EU Member States. However, each country has its social protection legislation. This problem is reflected in Article 42 of the Treaty on European Union (Heads of Government of the European Community Member States, 1992). This article refers to the adaptation of social protection to the protection of migrant workers and its compliance with two main principles: creating

opportunities for acquiring and maintaining the right to social benefits by taking into account all periods provided for in the laws of individual countries and providing payments to persons residing in the territory of the EU member states.

The provisions of Article 42 of the Treaty establishing the European Community (Verkhovna Rada of Ukraine, 2005) are reflected in Regulation 1408/71 (Council of Europe, 1971). This act stipulates that the purpose of creating European legislation on social protection is not to harmonize the legislation of the Member States with the European one, but to coordinate the procedure for providing for the persons defined in Article 51 and to ensure that contributions to social insurance funds made by a person in one of the EU Member States will entitle him or her to social protection in any EU Member State. It is also necessary to eliminate possible territorial restrictions on the use of various social protection schemes. At the same time, the schemes may be modified. If a country does not improve its legislation compared to EU law, the principle of the rule of EU law should be applied when certain national norms are not used.

At the same time, Regulation 1408/71 (Council of Europe, 1971) does not apply to social security conventions concluded between an EU member state and a non-EU country, unless the convention has become part of national law. For example, Germany and Swaziland have concluded a convention under which a certain group of social protection rights obtained in Swaziland is equivalent to the rights obtained in Germany. For example, a Spanish citizen who has never worked in his home country but has worked for a period in Swaziland and then for a period in Germany is entitled to an old-age pension in Germany. If he returns to Spain, the periods of work in both Germany and Swaziland will be included in the pension (Prysiazhenko & Kuzmenko, 2018).

Regulation 1408/71 (Council of Europe, 1971) is a comprehensive act that defines the concept of a person in the field of social security, the nature of benefits, and the principles on which social security is based. The Regulation covers such groups of persons as employees, self-employed persons (persons who provide themselves with work on their own), family members, and one of the spouses who survive the other. Employees and self-employed persons must be citizens of an EU member state. One of the spouses is considered to be an EU citizen, regardless of the nationality of the other. However, there are different definitions of such terms as employee, self-employed and family members.

The Regulation defines employees and the self-employed as persons "who are insured compulsorily or who have joined a social security scheme voluntarily". Social protection within the EU takes into account any (national) social insurance schemes. The scheme can be compulsory and voluntary, with or without contributions from employees. It may include different types of benefits. These factors are not decisive. What matters is the fact of insurance. For example, a British citizen employee who is outside his or her home country in any of the EU countries does not lose the right to temporary disability benefits. According to European law, if a person has been insured in one of the EU member states for a long time, he or she should be entitled to social benefits even if working outside the EU.

Unlike other laws relating to workers, EU social security legislation does not restrict the rights of those who move within the EU for employment. However, there is a difference in the eligibility for benefits between part-time and full-time workers. Part-time workers are eligible for benefits under EU law only if they have been subject to social insurance under a national scheme. For example, according to the German Social Code, persons who are

employed in small amounts are not subject to compulsory insurance. If they are not insured in the voluntary insurance system, they will not be provided with benefits under European law.

Family members are persons defined by law or recognized as such, as well as persons who run a common household if they live under the same roof as the employee. Family members also include the employee's dependents. The definition of a family member varies from country to country and, accordingly, the grounds for receiving social benefits are different. The grounds and types of payments to family members could be unified by applying a single definition, but this would contradict the basic principles of social protection and restrict freedom of movement. Therefore, the concepts used are those that exist in the legislation of each EU member state (Derii et al., 2019).

Payments to families and the surviving spouse are made at the expense of social insurance funds. There is a mandatory rule that these persons and/or their breadwinners must be insured in the social insurance system. There are no exceptions to this rule. In this case, European law defines the difference between benefits that are guaranteed to a person as a natural right and benefits to which the right arises based on the status of a family member of an employee or one of the spouses. For example, if a French family lived in the Netherlands, the husband worked and was subject to social insurance, and the wife was his dependent. The husband, who was entitled to a pension in the Netherlands, dies and the wife returns to France. In this situation, the wife is entitled to a pension by her status, since her husband contributed to the pension fund.

The distinction between natural and acquired rights violates the fundamental legal requirement of uniformity and makes the provision of social benefits dependent on domestic social protection schemes. Despite the EU's attempts to regulate all issues related to the social protection of migrants and their families, the problem of citizens who are unable to pay insurance premiums remains unresolved, and the situation of citizens from "third world" countries legally residing in EU member states and persons who are not family members of migrant workers who are citizens of an EU member state is not regulated. It is necessary to take a closer look at the specifics of social protection schemes in European countries. Germany and France are the countries where social insurance was developed earliest and acquired its classical forms. These countries provide for the following types of social insurance: pension; medical; unemployment; industrial accidents and occupational diseases.

The procedure for social insurance in Germany is enshrined in the Social Code and individual laws (for example, the Social Insurance for Independent Artists Act). Pension insurance is of great interest. According to the Social Code, some persons are excluded from the compulsory pension insurance system (who are insured under another system and who receive a full old-age pension) and exempted (insured in the occupational group insurance system). There are four types of old-age pensions: an ordinary pension; a pension for insured persons with long service; an old-age pension for disabled persons; and a pension for miners with a long record of underground work (Chornovol, 2023).

Periods of contribution that are exempt from contributions and are taken into account in the calculation of pensions are included in the pensionable service record. The pension calculation formula consists of three indicators. These are the sum of personal coefficients (the amount of remuneration for labor activity), the factor of the type of pension (for an old-age pension - 1, for a pension with a partial disability - 0.5), the actual value of the pension (to convert the pension expressed in the sum of personal coefficients into an amount of

money). Insurance funds are managed by social partners - employees and employers. In most countries, employers bear the bulk of the contribution burden (4/5 in Italy and Spain). The exception is the Netherlands, where employees pay 2/3 of the total amount of contributions.

In the Netherlands, the social insurance system does not follow the classic continental scheme, but it is one of the most developed in Europe in terms of the scale of payments and has many distinctive features. Social insurance is carried out in two organizational and financial forms: the state insurance system and the system of insurance of employees. There is also a system of disability insurance for the self-employed. The entire population of the country is subject to state insurance (pension, survivors, and disability). Contributions are paid directly by the insured person. Pensions are paid to all persons who have reached the retirement age of 65. The pension is calculated based on the minimum wage and amounts to 70% for single pensioners and 100% for family pensioners (Millan et al., 2020).

State insurance benefits can be provided both in cash and in-kind (vouchers, accommodation in boarding schools). The social security system in the Netherlands includes employee insurance, state insurance, and social assistance. In the case of employee insurance, contributions are paid by employers and employees from the payroll. Contributions are collected by industrial insurance associations, of which there are 17 in the Netherlands. They are governed by representatives of employers and employees. Social assistance is used in two cases: in case of extreme need - as a last resort (provided by municipalities); when social insurance benefits are less than the guaranteed income (provided by industrial insurance companies).

State insurance includes old-age and survivors' pensions. The retirement age is 65 years. The survivor's pension is paid depending on the family income. If it exceeds a certain level, no benefit is paid. Social assistance is provided for children under 18 years of age. Its amount depends on the child's income; the amount of assistance to the parents; the child's age; the child's place of residence (at home or not). The Dutch legislation defines the following types of social assistance: assistance to children; additional assistance to the unemployed and disabled; old age and partial disability benefits; assistance to the unemployed; and assistance to those who are employed. The Law on State Assistance ensures a minimum income for every citizen who does not have sufficient financial means (Captain & Nesterenko, 2021).

The following types of compulsory insurance are introduced in Belgium: disability insurance; health insurance; child benefits; unemployment insurance; pension insurance (old age, widowhood, widowers); annual leave benefits. The Belgian Social Security Fund is funded by contributions from employees (13.7%), employers (24.7%), and the state. The funds are transferred to the account of the National Social Security Service. In Ukraine, we only talk about the formation of a social budget within the state budget. In Belgium, the state budget is 1 trillion 635 billion Belgian francs. Of this, 1 trillion 195 billion is the social budget. That is, 73% of the budget is the insurance funds of the social budget. Most of the money is spent on pensions and disability benefits. The cost of hired labor in Belgium is very high. The minimum wage is 46,000 thousand Belgian francs (or 4.6 thousand UAH). This country has the lowest poverty rate in Europe. The subsistence minimum is 21 thousand francs, and the minimum pension is 30 thousand francs for one person and 38 thousand for two (if one of the spouses did not work). However, Belgium has very high tax rates, which causes dissatisfaction among certain segments of the population. The country has adopted the Law on Industrial Accidents, which provides for disability compensation, financial assistance for partial disability, and an annuity (Sokurenko & Hryakova, 2021).

The EU social insurance system is focused on providing social guarantees. Along with the achievements in social protection, European countries face several problems: a significant increase in pension insurance expenditures (due to unfavorable demographic situations); difficulty in ensuring timely and full payment of insurance contributions (Portugal, Greece); ineffective control over the management of social insurance funds through the mechanism of social partnership. The problem has been exacerbated by a significant increase in the number of disability claims (in the Netherlands, 15% of working-age people out of the total number of people in the relevant age group). This is due to the lack of interest of the governing bodies of the funds, which do not bear financial responsibility, in reasonably determining the grounds for disability benefits. Therefore, Denmark and the Netherlands are reforming this type of insurance.

The main measures to solve problems in the field of social insurance include: combating fraud, limiting expenditures, strengthening control (in the administrative sphere); transferring social insurance functions to private non-profit and commercial organizations; and using new financial mechanisms (Kostrыtsia & Burlay, 2020; Jerg et al., 2021). One of the ways to reform the social security system is to take into account the financial situation of a person to assist directly to those who need it, rather than to those who can provide for themselves. This method is most commonly used in the UK. The financial status of a person is taken into account when paying 34% of all types of assistance. Ukraine is developing a continental-style social insurance system, primarily based on the German model. Social insurance is provided by non-governmental, non-profit organizations managed by social partners. It is impossible to transfer the social security system of developed countries to the legal framework of Ukraine. However, positive experiences should be used when building our system (Yaroshenko & Lutsenko, 2022).

A separate place among the subjects of social security law should be assigned to the self-employed. Particular attention to social protection of the self-employed population is because their independent professional activity creates economic prerequisites for such protection. After all, the self-employed person as a subject of social security law is endowed with a special legal status that has several components, namely: legal personality, legal guarantees of observance of fundamental rights, freedoms, and legitimate interests, as well as liability for non-performance or improper performance of their duties (Hone et al., 2019). In other words, the legal status of self-employed persons as subjects of social security law should be considered in terms of a combination of rights and obligations, responsibilities and guarantees of their activities enshrined in the legal acts regulating the activities of this category of persons.

The interpretation of the concept of "self-employment" is still controversial, as it is considered in two aspects: 1) narrowed, when it comes to those who work alone, without involving other employees; 2) expanded, which is associated with individual labor activity in a microenterprise with up to five employees. The absence of a unified approach creates gaps in the social regulation of relations arising in the process of self-employment. Most conflicts and contradictions arise, first of all, when defining the circle of persons who can be classified as self-employed, as well as the criteria by which self-employed persons are identified. The existence of a large number of opinions regarding those who can be classified as "self-employed" indicates the specificity of this category, which requires a thorough study and analysis of its legal status. Since the category of self-employed persons is a rather significant

structural element of both economic and labor, as well as social and welfare legal relations (Schoukens, 2020).

In the current economic crisis, the climate in the domestic labor market is not very favorable, leading to mass unemployment, and an increase in the number of unemployed citizens of working age, which ultimately poses a real threat to the state and public welfare. That is why the aspects of forming effective employment, creating an efficient labor market, preventing mass unemployment and labor migration are of particular importance. An important place should be given to self-employment because it is not for nothing that the International Labor Organization highly appreciates the prospects for its development and opportunities for existence while defining it as a social factor that reduces tension in society.

To determine the status of the employed population, European practice has developed a Code for determining whether a person belongs to the self-employed or hired workers. In particular, the criteria for classifying an employee as self-employed are considered to be the following: he/she is the owner of a business (means of employment); bears financial risk (liability) for improper production of goods or provision of services by the contract; is responsible for investment or management in a legal entity (if self-employment is carried out in the form of a legal entity with one owner); has the opportunity to profit from rationalizing the organization of working hours, time and method of performing tasks (Saunders & Evans, 2020). In other words, self-employed persons are individuals who exercise the right to freely choose their place of work and type of activity by carrying out independent labor activity with its registration by the procedure established by the current legislation of Ukraine, within which they acquire the appropriate legal status of an individual entrepreneur or a person engaged in independent professional activity.

As for the legal status of the self-employed person in the field of social protection, it should be noted that self-employed persons as subjects of social security law are endowed with a special legal status, the constituent elements of which are legal personality, rights and obligations, guarantees of their observance and responsibility. In other words, the legal status of self-employed persons in the field of social protection should be understood as a combination of their rights and obligations, responsibilities and guarantees of their activities enshrined in the legal acts regulating the activities of this category of persons. It should be borne in mind that the activities of self-employed persons have several fundamental features:

- It is conditioned by the right to freely chosen employment;
- Is personal and is related to the professional and educational qualities of the person;
- Has different forms of implementation;
- Is subject to accounting;
- It is conditioned by the independence of the method of choosing the conditions of labor activity;
- Material and technical support for the activity is provided by them independently;
- Self-employment has a risky nature;
- In cases established by law, it is associated with obtaining separate permits;
- May provide for restrictions on combining types of independent professional activity;
- Characterizes the active behavior of individuals only;
- Relates to specific areas of human activity (scientific, literary, artistic, artistic, teaching, etc.);
- Characterizes the activities of persons with special knowledge and skills (doctors, private notaries, lawyers, auditors, accountants, etc.);

- Is determined subject to certain restrictions (the person is not an employee or individual entrepreneur; the person uses hired labor of no more than four individuals).

The main objectives of social protection of self-employed persons in the EU are to provide social security, pensions, health insurance, disability benefits, and other social services. To achieve these goals, various programs and legislation have been developed at the EU and national levels of the member states (Barbier-Gauchard et al., 2021). One of the most important aspects of social protection is social insurance, which is designed to provide coverage for illness, injury, and disability, as well as maternity and paternity. Most EU countries have a compulsory social insurance system, which self-employed individuals are eligible to join. This provides them with a sufficient level of protection in case of illness, injury, or other unforeseen circumstances.

In addition to social insurance, the self-employed can also use various other social services. For example, many countries have health insurance programs that help cover the costs of medical treatment and healthcare services. This is especially important for self-employed individuals who may not have access to group health insurance due to their profession. There are also pension programs that allow self-employed individuals to secure a stable income after retirement. Self-employed persons can choose different pension plans depending on their financial capacities and expectations for the future.

The EU also provides support to the self-employed in setting up and growing their businesses, such as financial support, business planning advice, training, and seminars. This aims to stimulate entrepreneurial development and ensure economic growth in the regions (Sverke et al., 2019). National governments also play an important role in providing social protection for the self-employed. They establish laws and regulations on social insurance, pensions, taxation, and other aspects of social protection. For example, some countries may provide tax exemptions for the self-employed, which helps to reduce their tax burden. It is also important to note that the level of social protection may vary from country to country in the EU. Some countries may have a more developed social system, while others may face limited resources and obligations. Let's take a closer look at the social protection of the self-employed in each of the following EU countries.

In the Netherlands, self-employed persons have a choice of status: to be officially registered as self-employed or to work based on a contract with an employee. This country has a Ziektewet sickness insurance program that assists in cases of illness and temporary disability. There is also the Toeslagen program, which provides financial assistance to those in need. There is no mandatory unemployment insurance for the self-employed, but they can voluntarily join the system. In Norway, social insurance covers the costs of medical treatment, hospitalization, and other medical services. The Pension Fund guarantees the payment of pensions to the self-employed upon reaching retirement age. Unemployment benefits are provided in case of disability until a person can return to work (Wachter et al., 2021).

In France, the Régime Social des Indépendants is a mandatory social insurance for self-employed individuals that provides pensions, health insurance, and sickness benefits. The French unemployment benefit system Pôle Emploi provides support in finding a job and assistance in case of job loss. Sweden provides self-employed people with access to social insurance, which includes health insurance, sickness and disability benefits. The Swedish pension system guarantees a pension upon retirement. Italy has compulsory social insurance for the self-employed, which provides health insurance, sickness benefits, and financial assistance to the poor. The unemployment benefit system (INPS) provides job search

assistance and unemployment benefits. Germany also has compulsory social insurance for the self-employed (Künstlersozialkasse - KSK), which provides health insurance and pensions. The unemployment benefit system assists in finding a job and supports in case of job loss.

The above examples demonstrate the diversity of approaches to social protection of the self-employed in different EU countries. It is worth noting that each of them has its own peculiarities and support system that contributes to the social security and stability of self-employed workers. The social protection of the self-employed in the European Union faces several challenges that may affect the stability and well-being of this category of workers. For many self-employed people, the lack of pensions and social protection is a major problem. As many self-employed people do not have a stable income, they may have limited opportunities to invest in pension funds. Improving this situation may depend on increasing mandatory contributions to the pension fund or creating incentives for additional voluntary investments (Slavich, 2020).

The level of social protection for the self-employed may differ depending on their occupation, income, and region. This can lead to inequalities in insurance coverage and access to social services. To address this problem, it is necessary to promote equal access to social protection for all categories of the self-employed. Young self-employed individuals may find it difficult to start their businesses due to high costs and risks. Improving social protection for this group could include providing financial support, training, and counseling to support start-up entrepreneurs.

Changes in the structure of the labor market, automation, and other technological and economic shifts may affect the self-employed. The provision of appropriate training and retraining programs can help the self-employed adapt to new labor market challenges. Reducing the tax burden on the self-employed can help stimulate entrepreneurship and new business development. Proper optimization of the tax system can increase the motivation of the self-employed to register and pay taxes.

Establishing professional associations and organizations would help the self-employed to have a common voice and represent their interests before the government and employers. This can help improve working conditions and social protection for this category of workers. Implementation of these ways can contribute to improving the social protection of the self-employed in the European Union and provide more stable conditions for this category of workers.

## **Discussion**

The main principles of the European Union and its member states' social protection law are the principles of non-discrimination based on nationality and the provision of social benefits regardless of a person's place of residence. By this principle, the legislation of one or more member states is used to determine social benefits. A person may not be deprived of social benefits because he or she is not a citizen of the country under whose legislation he or she is entitled to the benefits. However, this principle does not apply to all types of social benefits (Melnyk et al., 2020).

The principle of non-interchangeability of benefits in different Member States. This principle is intended to prevent abuse by persons receiving social benefits and to prevent them from receiving the same benefits in different countries. The same payments should be understood as those that have a common purpose, object, and basis for payment. Other

criteria for determining this are formal and therefore do not play a decisive role. If an employee was subject to social insurance in several Member States, he or she may receive benefits in different countries. Such a right is limited by the above principle, which is detailed and implemented in the Member States by their national legislation (Spasova et al., 2019).

The principle of transparency of information for individuals on the amount of payments. National legislation of the EU member states determines the amount of payments to persons applying for social assistance in different ways, so information on the amount of payments is very important, and a person can choose what is more beneficial to him or her. No employee should be deprived of the right to make such a choice. This principle requires member states to develop a common concept for the classification of benefits and the procedure for their provision (Yaroshenko et al., 2021).

The principle of offsetting insurance periods. This principle applies to maternity benefits, family benefits, temporary disability benefits, disability benefits, burial benefits, and old-age pensions. The relevant authorities of the EU member state under whose legislation a person wishes to receive social benefits take into account the period of insurance, employment, or residence in another EU member state. In this case, there is fiction according to which it is considered that the person worked in the territory of that country and paid contributions under its legislation (Cantillon et al., 2021).

The principle of non-deterioration of the situation. This principle guarantees the stability of the situation of persons receiving social assistance; no deterioration in their situation (reduction of the level of payments, narrowing of the categories of persons entitled to such payments, etc.) is allowed due to the introduction of common rules in the EU. People can choose more favorable conditions for social benefits if they are entitled to the same type of assistance in several countries. For example, Germany has a fairly high level of social benefits, and if a person is entitled to a disability pension in Germany, he or she will receive a pension at the level of payments in Germany, according to the contributions made by him or her, upon returning to his or her home country. This principle ensures equality of treatment between labor migrants and persons who have not exercised the right to free movement within the EU.

## **Conclusion**

Self-employed persons occupy a separate and important place among the subjects of social security law. In the current economic crisis, the issue of effective employment is of particular relevance. Self-employment can play an important role in creating an efficient labor market and preventing mass unemployment. The International Labor Organization also supports the development of self-employment as a social factor that reduces tension in society. Given the significant contribution of self-employed persons as subjects of social security rights to socio-economic development, it is necessary to further improve legislation and develop effective mechanisms for the social protection of this category of the population. This will help ensure stability and support for the self-employed, reduce pressure on the labor market, and contribute to the overall well-being of society.

Social protection for the self-employed in the European Union is aimed at providing them with social insurance, pensions, health insurance, and other social services. Mandatory social insurance and various programs provide self-employed persons with an important level of protection against unforeseen circumstances. In addition, there are various other social services, such as health insurance and pension programs, that help them to secure a stable

income in the future. Adequate social protection for the self-employed is provided at the level of national governments, which establish laws and regulations on social security, pensions, taxation, and other aspects of protection. Tax breaks and other incentives can help ease the financial burden of the self-employed. Social protection of the self-employed in the European Union faces challenges that can affect the well-being and stability of this category of workers. Issues such as inadequate pension and social protection, unequal access to services, high costs for young entrepreneurs, and the impact of technological change on the labor market require attention and action. Promoting equal social protection, financial support, and professional development can help improve conditions for the self-employed. Reducing the tax burden and establishing professional associations can also increase motivation and improve the situation of the self-employed. The implementation of these measures aims to provide more stable and protected conditions for the self-employed in the European Union.

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