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**REPORT FROM THE COMMISSION TO THE COUNCIL**

**on the implementation of the Council Recommendation**  
**on access to social protection for workers and the self-employed**

## TABLE OF CONTENTS

TABLE OF CONTENTS.....	1
KEY FINDINGS.....	2
1. Introduction.....	4
1.1. Setting out the context.....	4
1.2. Objectives of the Recommendation .....	5
1.3. Supporting implementation.....	6
1.4. Reviewing implementation .....	8
2. Reviewing progress in implementing the Council Recommendation.....	8
2.1. Snapshot of the national implementation plans: a mixed picture in terms of focus and of level of ambition .....	8
2.2. Formal coverage.....	10
2.2.1. Gaps .....	11
2.2.2. Policy measures.....	12
2.3. Effective coverage .....	15
2.3.1. Gaps .....	15
2.3.2. Policy measures.....	17
2.4. Adequacy .....	18
2.4.1. Gaps .....	19
2.4.2. Policy measures.....	20
2.5. Transparency.....	21
2.5.1. Access to information .....	22
2.5.2. Simplification.....	24
3. Summarising progress.....	26
3.1. Positive developments in access to social protection for all .....	26
3.2. Challenges remain.....	26
4. Conclusions.....	28
ANNEX: Main features of the national implementation plans (NIPs) on access to social protection (and update) .....	29

## KEY FINDINGS

The implementation efforts during the 3 years following the adoption of the Council Recommendation on access to social protection for workers and the self-employed, and against the background of measures to tackle the social impact of the COVID-19 pandemic, show a mixed picture across Europe. The overall level of ambition in implementing the Recommendation varies significantly and, with a few exceptions, most Member States do not aim to address all existing gaps in access to social protection. Further implementation efforts are needed to close existing gaps and the social and economic consequences of the Russian war of aggression against Ukraine and the resulting deepened energy crisis intensify the urgency to act.

In the constantly evolving labour markets, there is a large number of people who, due to their type of employment relationship or form of self-employment, are left without sufficient access to social protection. This poses risks to the welfare of many of these individuals and their families, but also the economy and society.

In 2021, almost 40% of the population in employment in the EU (77 million people) were in non-standard forms of work, i.e. with temporary contracts, in part-time work and/or self-employed and many in this group face significant gaps in social protection coverage. In 2022, in 17 Member States there is at least one group of non-standard workers not covered by all branches of social protection. The self-employed are not covered by all branches in 19 Member States.

### Formal coverage

Since 2019, 15 Member States have undertaken or planned important reforms to improve participation to social protection schemes for specific categories of people on the labour market. These concern notably self-employed people (in particular solo and dependent self-employed people) or people in non-standard forms of contracts or working in specific sectors (domestic services, culture) with high prevalence of non-standard forms of work. However, significant numbers of them are likely to continue lacking formal access, as the measures do not address all gaps/branches and some Member States do not plan to address remaining gaps.

In the dozen of Member States that report data, it is estimated that at least 5.6 million non-standard workers and 15.3 million self-employed people do not have access to unemployment benefits. Moreover, in those Member States where participation in social protection schemes is voluntary for the self-employed, the take-up rates of the schemes are generally low.

Key challenges reported by Member States in addressing these gaps include the need to maintain the flexibility of the labour market or the complexity of extending coverage for the self-employed (particularly unemployment and disability insurance) and for specific groups, such as platform workers, domestic workers, and farmers.

On the other hand, measures to reduce the use of non-standard forms of contracts help to shrink formal coverage gaps. They include better monitoring, reducing social and fiscal incentives to hire on very short-duration contracts or through false self-employment, regulating platform work or reforming labour law to address segmentation, which all enhance

access to social protection by ensuring correct classification or creating a clearer regulatory environment as to social protection rights attached to different employment statuses.

### **Effective coverage**

Existing rules governing contributions and entitlements may prevent people who participate in social protection schemes from receiving any benefit in practice ('effective access'). For example, they may not meet the minimum duration or level of contributions. Since 2019, only a limited number of national measures have addressed the issue of effective access, for instance by reducing the qualifying periods for unemployment or healthcare benefits. The income support gaps between people who, prior to joblessness, were in 'standard' employment versus others remain sizeable in many EU Member States. Overall, the self-employed are still less likely to receive any benefits and in a number of countries, temporary and part-time workers are still less likely to receive benefits than those with a permanent or full-time contract.

### **Adequacy**

'Adequate' social protection schemes provide a sufficient and timely income replacement for individuals facing loss of income, upholding their standard of living and protecting them from poverty. Around half of Member States undertook or announced measures to improve adequacy in their national implementation plans, notably with regard to pensions – for self-employed, people with low entitlements or specific occupations. Measures were also put in place to improve the adequacy of unemployment benefits by increasing their duration and/or amount. However, challenges persist. Temporary-contract employees face higher material and social deprivation compared to permanent-contract employees and so do part-timers compared to full-time workers. Self-employed, part-time and temporary employees are also more at risk of monetary poverty compared to those in standard forms of employment.

### **Transparency**

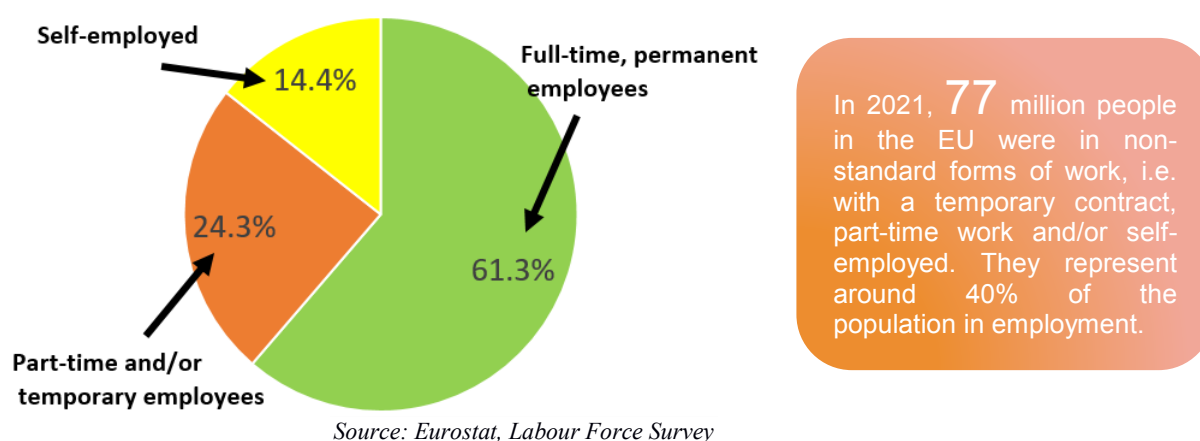
Transparency is crucial to improving access to social protection. Yet, social protection rules are sometimes too complex or unclear, so people may not be properly aware of their rights and obligations, or of how to exercise those rights and comply with their obligations. While not a primary focus of national implementation plans, many countries have started to digitalise the management and delivery of social protection through simplified one-stop portals, automated access to some benefits, pension simulators or pre-filled application forms. Still, more efforts are needed in this respect, including measures to address the digital divide for vulnerable people, such as those with low levels of literacy (digital, administrative and financial), persons with disabilities and others.

# 1. Introduction

## 1.1. Setting out the context

Nowadays, EU labour markets include significant numbers of people in (solo) self-employment, in jobs not governed by standard contracts, in combinations of dependent employment and self-employment or switching between them. In 2021, almost 40% of the population in employment in the EU-27 (76.7 million people) were in non-standard forms of work<sup>1</sup>, i.e. with a temporary contract (23.7 million), part-time work (36.4 million) and/or self-employed (26.9 million including 18.4 million solo self-employed)<sup>2</sup>, as opposed to permanent full-time contracts. While the overall proportion of people in non-standard forms of work has been stable over the last decade and situations vary greatly from one group to another and within groups, some new forms of employment (casual workers, portfolio workers, platform workers) have become more prevalent<sup>3</sup> in EU Member States, and are generally less covered by social protection.

### Population in employment by status, EU-27 - 2021



Social protection systems are often still designed for standard workers (full-time, permanent, dependent employees). As a result, large parts of the workforce are not sufficiently covered by social protection, due to their labour market status or the type of employment relationship. These gaps pose a risk to the welfare of the affected individuals and their families, who endure greater economic uncertainty. They also impact upon the economy and society in terms of domestic demand, investment in human capital and social cohesion. The gaps in coverage of non-standard employment contribute to a lack of fairness within society, widening divides between generations, genders or social groups, since young people, the foreign-born and women are less frequently hired on full-time, open-ended

<sup>1</sup> Source: Eurostat, EU-Labour Force Survey (LFS).

<sup>2</sup> Moreover, in 2017, around 800 000 people were 'dependent self-employed' i.e. self-employed with no employees, who worked during the last 12 months for only one client or for one dominant client, who determined their working hours (source: EU-LFS module on self-employment).

<sup>3</sup> Eurofound (2017), [Non-standard forms of employment: recent trends and future prospects](#), and EC (2018) ESDE, [Access and sustainability of social protection in a changing world of work](#).

contracts. Reducing gaps in access to social protection for non-standard forms of work could thus help reduce inequalities, including gender pay and pension gaps.

According to principle 12 of the European Pillar of Social Rights ‘regardless of the type and duration of their employment relationship, workers and, under comparable conditions, the self-employed, have the right to adequate social protection’<sup>4</sup>. To operationalise this political ambition, in 2019 the Council adopted a Recommendation on access to social protection for workers and the self-employed<sup>5</sup>.

In the European Pillar of Social Rights action plan<sup>6</sup>, the Commission highlighted that the exceptional measures taken during the COVID-19 pandemic to expand social protection to groups excluded beforehand can be a source of inspiration for structural reforms that improve the protection for unemployed, non-standard workers and the self-employed.

The digital transition, accelerated by the COVID-19 pandemic, is reshaping the EU’s economy and its labour markets, not least through the expansion of digital labour platforms<sup>7</sup>. While platform work can provide opportunities for accessing the labour market more easily or gaining additional income through a secondary activity, it also brings challenges, including in terms of social protection.

In addition to the imperative of managing the green transition in a fair way, a new challenge has emerged since early 2022: the economic and geo-political environment triggered by Russia’s war of aggression against Ukraine and resulting in increased energy and commodity prices, inflationary pressures and rising economic uncertainty. This may push already vulnerable households into poverty. Social protection systems are to play a key role in both preventing and addressing those impacts, by strengthening the existing social safety nets and supporting the most vulnerable.

## 1.2. Objectives of the Recommendation

**The Council Recommendation aims to ensure that all workers and the self-employed have formal access to and contribute to effective, adequate and transparent social protection, in respect of six branches of social protection:** unemployment benefits; sickness and healthcare benefits; maternity and paternity benefits; invalidity benefits; old-age and survivor benefits; and benefits covering accidents at work and occupational diseases.

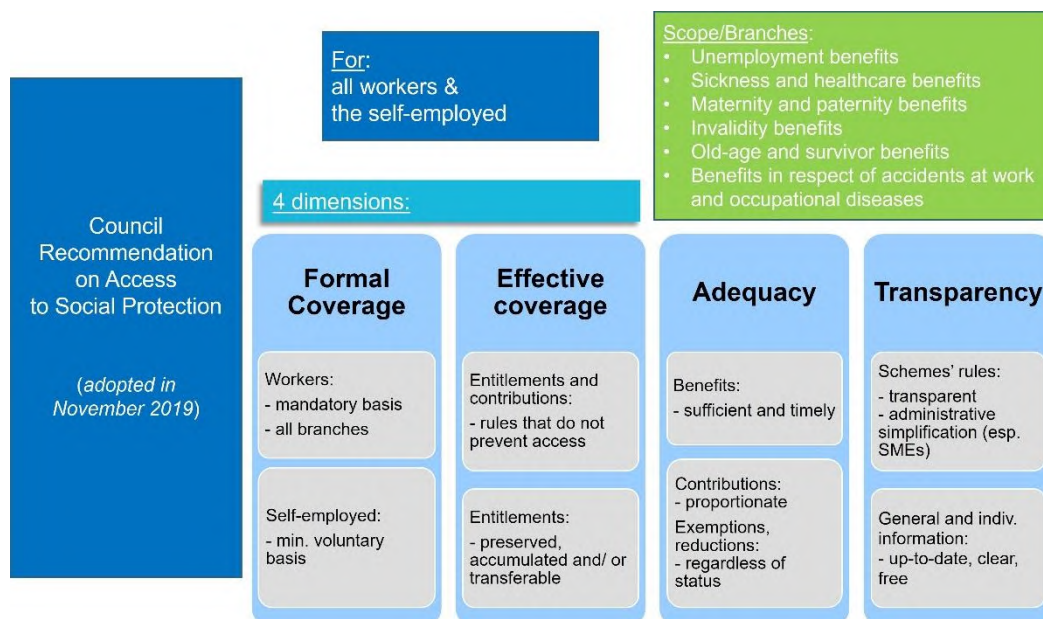
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<sup>4</sup> For the purposes of the Council Recommendation and of the present report, ‘non-standard workers’ refers to ‘employees’ under non-standard (temporary, part-time) contracts, while ‘people in non-standard forms of work’ includes both workers under non-standard contracts and the self-employed.

<sup>5</sup> [2019/C 387/01](#).

<sup>6</sup> COM/2021/102 final.

<sup>7</sup> According to the data used for the 2021 [Commission proposal for a directive](#), 28 million people in the EU work through digital labour platforms and 1.7-4.1 million could be re-classified as workers under the Directive.



**Paragraph 19 of the Council Recommendation invites Member States to implement the principles set out in the Recommendation as soon as possible and to submit a plan** setting out the corresponding measures to be taken at national level by 15 May 2021. As of December 2022, all Member States but Luxembourg had submitted such a national implementation plan (NIP)<sup>8</sup>. The NIPs were debated by the EPSCO (employment, social policy, health and consumer affairs) Ministers in December 2021 as part of the European Semester and in May 2022 in the SPC (Social Protection Committee). European social partners' organisations were also specifically consulted in May 2022.

### 1.3. Supporting implementation

Since the adoption of the Council Recommendation, the Commission has taken specific measures to support the implementation of the Recommendation.

The Commission worked with the SPC's Indicators Sub-Group to **draw up a monitoring framework for assessing progress towards the key objectives of the Recommendation**. A first version of the framework was endorsed by the SPC in October 2020<sup>9</sup> and since then, the Commission has been supporting methodological improvements and annual updates to the monitoring framework<sup>10</sup>. The monitoring framework includes indicators to measure formal coverage, effective coverage, and benefit adequacy for all types of workers in relevant branches of social protection. It also includes labour market indicators to measure the diversity of labour market statuses and indicators on the rules governing entitlements and contributions.

<sup>8</sup> <https://ec.europa.eu/social/main.jsp?catId=1312&langId=en>.

<sup>9</sup> Monitoring [framework](#) on access to social protection for workers and the self-employed.

<sup>10</sup> 2021 [update](#) of monitoring framework. Note that the Joint Research Centre is also working on improving it, e.g. Antón & Grande (2022), *Monitoring the effective coverage and adequacy of social protection in the EU*.



**Nevertheless, further improvements are needed in monitoring access to social protection across EU Member States.** For instance, current data available at EU level does not allow to directly measure the relationship between materialisation of a risk and receipt of a benefit, except for unemployment and old-age-related benefits. Moreover, while progress has been made in quantifying gaps in formal coverage, these data are not available for all countries and the data that are available are not fully comparable. Finally, gradual progress needs to be made in several areas. For example, a better understanding is needed of the economic and social situation of the self-employed (in particular their income), taking into account the varying levels of social security contributions.

**On the policy side, the Commission fostered in-depth exchanges on the implementation of the different dimensions of the Recommendation, bringing together Member States' representatives, social partners and stakeholders**<sup>11</sup>. The European Commission also monitors social protection issues as part of the European Semester. In 2020, with the aim of mitigating the social impact of the COVID-19 pandemic, the Commission recommended that nine Member States improve social protection coverage for non-standard workers and self-employed people (EE, ES, IT, CY, LT, NL, PL, PT, SI) and, in 2022, four Member States received a country-specific recommendation in areas covered by the 2019 Council Recommendation (EE, HU, NL and PL). In addition, the SPC Monitor<sup>12</sup> each year points out Member States with a key social challenge concerning access to social protection<sup>13</sup>.

In addition, according to the analysis of the Commission, two thirds of the recovery and resilience plans (RRPs) include reforms or investments aimed at improving access to social protection (mostly focusing on simplifying access through digital investments and enhancing the adequacy of unemployment and old-age benefits)<sup>14</sup>.

Two thirds of recovery and resilience plans include reforms or investments aimed at improving access to social protection.

**Moreover, since 2019, the Commission has launched several related initiatives**, for instance to improve the coverage and adequacy of minimum wages<sup>15</sup>, and of minimum income<sup>16</sup>, to improve the situation of platform workers<sup>17</sup>, and to address the social impacts of the green transition, notably for workers in need of job transition support and income support<sup>18</sup>. The Directive on transparent and predictable working conditions also ensures that workers in the EU are given essential information on their contracts at an early stage, notably about social security<sup>19</sup>. These initiatives work hand in hand towards ensuring that all people,

<sup>11</sup> These include a series of mutual learning events (see [report](#) published in 2020) and a high-level event on social protection for the self-employed in June 2022.

<sup>12</sup> The monitoring tool developed with the SPC to identify annual key social trends in the EU.

<sup>13</sup> In the 2022 SPC [Annual Report](#), the following eight Member States were listed as having a 'key social challenge' in the area of access to social protection: EL, ES, IT, NL, PL, PT, RO and SK.

<sup>14</sup> See also the thematic analysis on the recovery and resilience scoreboard about [social protection](#).

<sup>15</sup> Directive (EU) 2022/2041.

<sup>16</sup> COM(2022) 490 final.

<sup>17</sup> COM(2021) 762 final.

<sup>18</sup> COM(2021) 801 final.

<sup>19</sup> Directive (EU) 2019/1152. See also Directive (EU) 2016/2102 on the accessibility of the websites and mobile applications of public sector bodies.

regardless of their form of work, have access to adequate social protection against economic risks and that all also contribute to its financing, as also advocated at global level<sup>20</sup>.

#### 1.4. Reviewing implementation

**The Council Recommendation invites the Commission to review progress on implementation and to report to the Council.** In its analysis, the current report builds on the monitoring framework drawn up with the SPC to assess the progress towards key objectives of the Recommendation and recent measures and reforms taken or announced by the Member States, as reflected in their NIPs, the European Semester or the RRP. The report further builds on the European Social Policy Network (ESPN) thematic report on the transparency dimension<sup>21</sup>, thematic discussions in the SPC, exchanges with social partners and conclusions from mutual learning events organised by the Commission.

**The report reviews progress on the four dimensions of the Recommendation (formal coverage, effective coverage, adequacy and transparency) and in respect of workers in non-standard forms of employment and self-employed people.** It focuses on measures and reforms that have been undertaken since the adoption of the Council Recommendation or that are planned. As workers in standard forms of employment have access to most branches of social protection across most EU Member States, the report mostly focusses on addressing gaps for the self-employed and for workers with non-standard contracts. Where possible, the report uses data to measure progress since adoption of the Recommendation in autumn 2019, though for some indicators the latest available statistics date back to 2020-2021<sup>22</sup>.

## 2. Reviewing progress in implementing the Council Recommendation

### 2.1. Snapshot of the national implementation plans: a mixed picture in terms of focus and of level of ambition

The overview<sup>23</sup> of the 26 NIPs shows that **almost all NIPs refer implicitly or explicitly to existing/remaining gaps in access to social protection at national level. However, in only half of Member States are all groups and types of gaps covered.** Moreover, the NIPs very much focused on the situation in terms of formal coverage, while other dimensions of access to social protection are less well covered, despite existing indicators agreed at EU level to monitor effective access or adequacy. Importantly, some Member States consider that they have already implemented all of the Recommendation's provisions (BG, SE), or almost all (CZ, FR, HU, AT, PL), see also table in annex.

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<sup>20</sup> 2012 ILO Social Protection floors [Recommendation](#) and 2021 [Global call](#) to action for a human-centred recovery.

<sup>21</sup> Spasova, S., et al (2023), *Making access to social protection for workers and the self-employed more transparent through information and simplification*, ESPN, Publications Office of the EU.

<sup>22</sup> Information on formal coverage or related to contributions and entitlements (MISSOC) is available for early 2022 while, for other indicators (e.g. EU-SILC), the data relate to 2021 (and therefore 2020 income).

<sup>23</sup> A first overview of the 21 national implementation plans submitted as of September 2021 was published in the SPC's [2021 Annual Report](#) and in the [2022 Joint Employment Report](#).

Most NIPs (22 out of the 26 submitted)<sup>24</sup> refer to specific measures taken or new commitments at national level to implement the Recommendation. However, **the range and scope of measures, and their timing (already taken or planned) vary considerably** across countries<sup>25</sup>: 10 NIPs focus on one main policy and/or legislative measure, 11 include a set of 3-8 measures, and Belgium's plan features more than 30 measures.

The NIP-measures cover a wide range of social protection branches, but the three most frequently covered are pensions, unemployment and sickness benefits – while other branches (maternity and paternity, accidents at work and occupational disease, healthcare and invalidity) are less often addressed.

#### **Box 1: COVID-19 pandemic and impact on social protection systems**

**The COVID-19 pandemic has illustrated the vital role of social protection in providing a safety net in times of crisis**, while also exposing access gaps and pushing many Member States to temporarily extend social protection to previously uncovered groups. Given the overlap of the sanitary crisis with the implementation period of the Recommendation, it is no surprise that 24 out of the 26 national plans refer to measures taken as a response to the pandemic, with three of the plans referring exclusively to such measures. However, only 8 national plans refer to measures that have become permanent, with a focus mostly on improving coverage for the self-employed or workers in specific sectors, such as the cultural sector.

The COVID-19 pandemic also accelerated in some cases the digitalisation of social services, including wider and simplified use of electronic forms, tele-counselling and better data interoperability between different public authorities.

**In terms of timing, 13 Member States refer to measures taken since 2019** and 18 Member States refer to measures in preparation or 'planned for the future'. Some Member States also refer to measures taken before the Recommendation was adopted.

In terms of target groups, while some measures are aimed at all persons in employment, **most also address the situation of specific groups**: measures specifically for the self-employed are mentioned by 17 Member States and measures for workers with non-standard contracts by 11 Member States.

The NIPs of some Member States (such as Belgium, Estonia and Cyprus) include detailed information on each measure they plan, in terms of branch, target group, expected impact, timeline, budget, implementing body and plan for monitoring/evaluating. For some other countries, the NIPs do not detail the measures announced for the future.

**Only a limited number of NIPs refer to involvement of social partners in the drafting of the NIP or of some measures.** Other stakeholders, such as civil society organisations, are

<sup>24</sup> The NIPs from BG, HU, SE and SK did not refer to such measures.

<sup>25</sup> Considering only structural measures and therefore excluding temporary measures taken as a reaction to the COVID-19 crisis.

barely referred to. EU social partner organisations indicated<sup>26</sup> that their involvement was very low or very late in the process, and they called for closer involvement in the design and implementation of measures to improve access to social protection for non-standard workers and for the self-employed.

In addition to improving access to social protection, some Member States' NIPs also referred to **measures aimed at decreasing the overuse of non-standard forms of work**. For instance, the Netherlands is taking steps to reduce the social and fiscal incentives to be (solo) self-employed or for companies to hire on temporary contracts; Germany and Poland took measures to better monitor the coverage status of people in non-standard contracts.

The Recommendation also encourages Member States to improve the availability of national statistics on access to social protection, but only a few Member States (5 out of 26, see annex) plan specific measures, despite the relatively limited availability of quantitative data in this area. While many Member States do have data, mostly from administrative sources, they are not always broken down by type of employment relationship, gender or age and there are limited attempts to estimate the coverage rate by the various branches of social protection<sup>27</sup>. Moreover, available data is not systematically used in policy making. Neither the NIPs, nor social partners' input to the consultations raised specific issues regarding the impact of the implementation measures on small and medium-sized enterprises. However, employers' organisations have indicated that access for the self-employed to the most relevant branches of the basic social protection at a reasonable cost should be the guiding principle, while access to a more advanced protection should remain optional.

Measures referred to in the NIPs could benefit from **better linkage with policy measures under** the RRP, and follow-up measures in the European Semester context. This would maximise their impact. For example, most NIPs do not mention measures related to improving the transparency of social protection schemes, while a large number of RRP focus on digitalization in social protection with the objective to provide better access to social security services, simplify procedures and offer simple and effective digital solutions for people and businesses. Furthermore, Member States could also mobilise the Technical Support Instrument (TSI) to support national implementation of structural reforms.

## 2.2. Formal coverage

Workers and self-employed people are considered '**formally covered by a specific social protection branch if the existing legislation or collective agreement states that they are entitled to participate in a social protection scheme in that specific branch**. Formal coverage can be provided via mandatory or voluntary schemes' (Council Recommendation, recital 15).

Member States were invited to improve the formal coverage (for all branches mentioned in the Recommendation) and extend it to: (a) all workers, regardless of the type of employment

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<sup>26</sup> Consultation of EU social partners (May 2022) on the implementation of the Recommendation.

<sup>27</sup> Based on discussion in the Indicators Sub-Group of the SPC, October 2022.

relationship, on a mandatory basis; (b) self-employed people, at least on a voluntary basis and, where appropriate, on a mandatory basis.

### 2.2.1. Gaps

**The mapping of formal coverage<sup>28</sup> under the monitoring framework shows that there remain significant gaps across EU Member States for both non-standard workers and self-employed people, despite some progress since 2019<sup>29</sup>.**

In 2022, in 17 Member States<sup>30</sup> at least one group of non-standard workers faces formal gaps in at least one of the relevant social protection branches. The social security branches with the most gaps are unemployment (13 Member States), sickness (11), and maternity benefits (9). The categories affected include casual workers or those on simplified, short-term fixed contracts, seasonal workers and those on other country-specific work contracts<sup>31</sup>. In five Member States<sup>32</sup> the gaps relate only to the specific group of ‘apprentices and trainees’ (and often to a sub-group in this category)<sup>33</sup>. In addition, in around half of the Member States, non-standard workers’ access to at least one social protection branch is only voluntary, often through ‘opt-in systems’ notably for unemployment, old-age, invalidity, sickness and maternity benefits.

Based on data available in a limited number of Member States, it is estimated<sup>34</sup> that roughly 5.6 million non-standard workers are without access to unemployment benefits (in 11 Member States), while 366 000 have no access to sickness benefits (in six Member States) and 413 000 are without access to maternity benefits (in five Member States). These numbers should clearly be seen as lower-bound estimates, since not all Member States report such gaps where they exist.

**As for the self-employed specifically, formal gaps exist in at least one of the branches of social protection in 19 Member States (in 2022).** The branches most concerned are unemployment benefits (13 Member States), followed by benefits for accidents at work and occupational diseases (9), paternity benefits (5) and sickness benefits (3). While being in line with the Recommendation, the fact that access for self-employed people is voluntary in at least one branch in 19 Member States<sup>35</sup>, mostly

In 2022, self-employed in 19 Member States and some non-standard workers in 17 Member States were not covered by at least one branch of social protection.

<sup>28</sup> Data collection on formal coverage (SPC), latest update: S

<sup>29</sup> Given reforms in formal coverage that are ongoing or identified in this section looks set to shrink slightly over the next f

<sup>30</sup> CZ, DK, DE, EL, ES, FR, IT, LV, LU, HU, NL, AT, PL situation as of spring 2022. Since October 2022, the remaining formal gap has been filled in Spain, with domestic workers having access to unemployment benefits.

<sup>31</sup> This includes ‘mini-jobs’ in Germany, (some) ‘civil law contracts’ (i.e. a category of atypical contracts used to contract labour) in Poland, ‘agreements to perform a job’ in Czechia, work agreements with irregular income in Slovakia, etc.

<sup>32</sup> DK, EL, FR, IT and NL.

<sup>33</sup> This echoes the preliminary results of the review of the implementation of the [Council Recommendation on a quality framework for traineeships](#).

<sup>34</sup> Based on aggregating national estimates based on different sources and methods and not covering all Member States with a gap.

<sup>35</sup> In particular for sickness, old-age and survivor benefits and maternity benefits.

through opt-in systems, results generally in low take-up rates for these schemes<sup>36</sup>. In some Member States this may be explained by a short amount of time given to people to decide whether to opt in into voluntary schemes, coupled with long binding periods.

### 2.2.2. Policy measures

**Most NIPs confirm the gaps in formal coverage described above and most Member States presented measures (to be) taken to address them.** However, many of those measures were taken in response to the COVID-19 crisis, to extend access on a temporary and exceptional basis to specific categories of workers previously not (or only partially) covered (workers on precarious contracts, domestic workers and self-employed people) or working in specific sectors/occupations (cultural sector, healthcare workers, etc.)<sup>37</sup>.

In slightly more than half of the Member States (15), the measures taken or announced since 2019 on formal coverage are structural reforms to permanently address the gaps in the branches covered by the Recommendation<sup>38</sup>. **These relate most often to closing gaps in formal coverage for self-employed people**, which is explained by the large number of Member States where they are still excluded from accessing a number of branches. Less attention is given to the other non-standard forms of work (e.g. temporary/part-time contracts).

**Table 1: Structural reforms in formal coverage since 2019**

	Structural reforms in 15 Member States:			No structural reforms (in 12 Member States)
Target groups	For self-employed	For non-standard employees	For both groups	
Member States	<i>EL</i> , FR, IT, <i>LT</i> , MT, <i>NL</i>	ES, <i>PL</i> , PT	<i>BE</i> , <i>EE</i> , IE, <i>CY</i> , <i>LU</i> , <i>RO</i>	AT, BG, CZ, DK, DE, HR, LV, HU, SI, SK, FI and SE

Source: NIPs and update by the SPC. Note: countries in italic: reforms proposed or announced not yet adopted.

Among the reforms for self-employed people, some have already been implemented, many are ‘in the pipeline’, while others are planned for the future (see Box 2).

<sup>36</sup> See 2021 [update](#) of monitoring framework and Schoukens (2022), [Improving access to social protection for the self-employed in the EU](#).

<sup>37</sup> See details for other countries in [2022 Joint Employment Report](#) (JER), Proposal for the [2023 JER](#) and ESPN (2021), *Social protection and inclusion policy responses to the COVID-19 crisis*.

<sup>38</sup> In some countries, rights have been extended across the board for all employees, for instance the right to paternity leave (in BG and HR) in line with the 2019 Work-Life Balance Directive. These measures are not dealt with specifically in this report.



## Box 2: Social protection for the self-employed

While the total share of self-employed people in the workforce has remained stable over the last 25 years (at around 14% of the workforce), the proportion of those without employees has been rising (around 68.3% of the 27 million self-employed people in the EU)<sup>39</sup>. Available evidence for 7 Member States (BE, DE, IT, LU, NL, PL and SE) points to high in-work poverty rates among solo self-employed people<sup>40</sup>. This trend increases the need to ensure access to social protection for self-employed people.

In the 12 Member States reporting data<sup>41</sup>, 15.3 million self-employed lack access to unemployment benefits, 3.9 million lack access to benefits relating to accidents at work and occupational diseases (in nine Member States) and 5.3 million to sickness benefits (in three Member States).

As illustrated below, a number of structural reforms show that it is possible to close these gaps and could provide inspiration for other countries still facing such gaps.

In November 2019, **Ireland** introduced a new jobseeker's benefit scheme for those who had been self-employed. Starting in 2019, **France** granted self-employed people access to an income allowance under certain conditions (judicial termination or insolvency procedure) and in 2022 relaxed the conditions for claiming the benefit. From end 2020, France also extended sickness benefits to *professions libérales*. In **Malta**, under certain conditions, self-employed people have been eligible for unemployment benefits since early 2019. As part of the work-life balance decree (June 2022), **Italy** introduced the right to a daily allowance for self-employed women before childbirth (where complications arise) and the right to parental leave for self-employed fathers.

**Cyprus** is reforming the social insurance system to extend coverage to self-employed people and non-standard forms of employment (entry into force scheduled for 2023). The **Luxembourg** government proposed introducing paternity benefits for self-employed fathers. **Estonia** is expanding coverage of unemployment insurance to self-employed people, business account holders and members of management and control bodies. It is also working on extending health coverage to people not insured or with intermittent insurance. **The Netherlands** is preparing to introduce mandatory disability insurance for the self-employed (to be completed by 2026).

The NIPs also include commitments for the future. For example, **Romania** is planning to extend paternity leave to the self-employed; **Belgium** is assessing how to make loss-of-income protection for the self-employed ('bridging right') permanent; **Greece** is planning to extend access to sickness benefits to the self-employed; **Lithuania** is considering including all self-employed people in the unemployment insurance system; **the Netherlands** is experimenting with providing the self-employed with access to collective pension schemes.

For **non-standard workers**, the reforms so far include: access to contributory unemployment benefits for domestic workers in Spain (from October 2022); a new status and a special social security fund for professionals in the cultural sector in Portugal (from October 2022 – employees on very short-term contracts are covered for most risks and are entitled to a new allowance for suspension of artistic activity). Moreover, in parallel with supportive actions at EU level<sup>42</sup>, a number of Member States are taking measures to improve the status and

<sup>39</sup> Eurostat, Labour Force Survey.

<sup>40</sup> Eurostat, EU-SILC 2019 used in the 'Working Yet Poor' EU project.

<sup>41</sup> Data collection on formal coverage (EC-SPC), latest update: Spring 2022.

<sup>42</sup> EU Work Plan for Culture 2023-2026; [European Parliament resolution](#) on the situation of artists and the cultural recovery in the EU; [2020 Study](#) released by the Commission on the status and working conditions of artists and cultural and creative professionals.

working conditions of **artists and cultural and creative professionals**, a sector characterized by prevalence of non-standard forms of work<sup>43</sup>.

**Other reforms are being prepared.** With the support of the Recovery and Resilience Facility (RRF), at the end of 2021, Poland initiated a reform to extend mandatory insurance and improve coverage. It concerns in particular civil law contracts with provisions aimed at ensuring that they are covered by old-age/pension and accident insurance. Other reforms include: a government bill in Ireland giving minimum level of protection (sickness benefits) to low-paid employees who may have no entitlement to a company scheme; in Luxembourg, a proposal for universal healthcare coverage (October 2021) to provide affiliation to health insurance for unaffiliated vulnerable people.

Finally, Romania plans to ensure formal access to all social security branches for seasonal and day workers as well as platform workers, while Belgium is evaluating ways to improve formal coverage for platform workers (unemployment benefits and accidents at work) and for specific categories of workers (e.g. childminders). Czechia does not intend to turn its ‘agreements to perform a job’ into an employment relationship but does plan to amend the criteria for access to insurance, and does plan to improve access to coverage for sickness and related risks (including maternity) for non-standard workers.

**Other Member States reported that they do not intend to provide (full) access to certain groups currently not covered, in particular self-employed people.** Reasons for this approach include: the costs that it would involve, concerns regarding impact on the flexibility of the labour market or the complexity of providing full coverage for the self-employed (notably for unemployment insurance, sickness or disability insurance). In some cases, the reason for not taking action to close a formal gap is the small size of the groups not covered or the fact that some risks can be covered by other branches or by the insurance attached to a person’s main job (when the gap affects some additional marginal contracts).

**Social partners have expressed diverging views on the issue of formal coverage, in particular for the self-employed.** Employers’ organisations have argued that ‘a mandatory and full coverage of and contribution to all six branches of social protection would denature the very notion of the self-employment’ and that ‘a certain choice between the different social protection branches as well as to the level of relevant contributions must be possible’<sup>44</sup>. On the other hand, workers’ organisations have called governments to ensure that self-employed are compulsorily covered in all branches and to address the issue of ‘bogus self-employment’<sup>45</sup>.

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<sup>43</sup> In Belgium a reform of the status of artists is under discussion while Ireland is piloting a Basic Income Guarantee Scheme for artists. Czechia, Spain, Greece and Romania included related reforms in their RRFs.

<sup>44</sup> European cross-industry [employers’ statement](#) on the monitoring framework on access to social protection for workers and the self-employed, March 2021.

<sup>45</sup> ETUC statements in consultation of EU social partners (May 2022) and at June 2022 EC event on improving access to social protection for the self-employed.



**Over the last few years, the working conditions of platform workers have been at the centre of social policy debate**, with a particular focus on their employment status (self-employed or employee) and its impact on social protection coverage.

Platform workers' access to social protection is discussed in 11 NIPs (BE, DE, EE, FR, HR, IT, CY, LT, PT, RO and SI) with most of them considering it a challenge. **Five Member States (BE, IT, CY, RO and SI) included concrete measures in their NIPs** while four Member States refer generally to the need to take action in this area in future (DE, EE, LT and PT). For instance, Cyprus counts platform workers among the group of people on non-standard contracts to whom access to benefits (unemployment, accidents at work) should be extended through social insurance reform; Belgium and Romania announce legislative changes to ensure adequate social protection for platform workers, including those who are self-employed (see also above).

Moreover, since submitting their NIPs, some Member States (Greece, Spain, France) have taken further action for platform workers, also through their RRP. Portugal has announced further measures and others (Germany, Croatia, Luxembourg and the Netherlands) are currently discussing possible changes in the relevant legislation.

### 2.3. Effective coverage

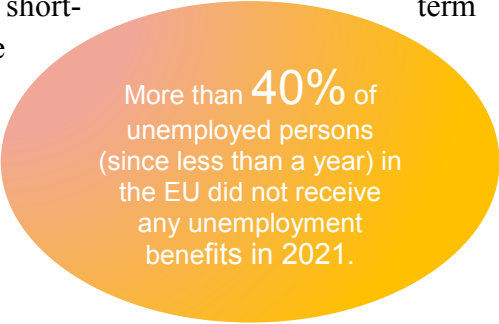
**While formal coverage is a necessary condition for accessing social protection schemes, it may not be sufficient unless effective coverage is ensured for all workers, regardless of the type of employment relationship, and for the self-employed.** According to the Council Recommendation, 'effective coverage' for a group means 'a situation in a specific social protection branch where the individuals in a group have an opportunity to accrue benefits and the ability, in the event that the corresponding risk materialises, to access a given level of benefits'. It can be achieved by adapting the rules governing contributions and entitlements so that individuals can accrue and access benefits irrespective of the type of their employment relationship or labour market status. Finally, effective coverage also means that the entitlements are preserved, accumulated and/or transferable across all types of employment and self-employment statuses, over time and between different schemes within a given branch.

#### 2.3.1. Gaps

In the monitoring framework, effective coverage is estimated using the receipt rate of social benefits (at individual level) by working-age individuals at risk of poverty before social

transfers, in different activity statuses<sup>46</sup>. **As of 2021, coverage by social benefits varies widely in the EU-27 across activity statuses<sup>47</sup>.**

- In the EU, on average, temporary workers tended to be more likely to receive benefits than those with permanent contracts<sup>48</sup> (respectively 47.9% and 39.1%) and part-time workers more than those working full-time (43.3% and 37.9%) as their adverse social situation requires more support from social transfers. However, this is not occurring in all Member States. Moreover, self-employed remained the least likely activity status<sup>49</sup> to receive benefits when at risk of poverty (31.2%, compared with 41.8% for all kinds of employees in the EU-27) and this was the case in most Member States despite the exceptional income support measures during the COVID-19 period, when their benefit receipt rate almost trebled.
- Overall, in 14 Member States, people in standard forms of employment (those with permanent and full-time employee contracts) were more likely to receive benefits than all other employed persons (part-timers, temporary contracts and self-employed) and in four Member States the gap was larger than 10 percentage points<sup>50</sup>. In six Member States<sup>51</sup>, around 10% or less of non- ‘permanent full-time’ employees were receiving social benefits.
- Among unemployed people, a little over half (52.7%) received (any) social benefits in 2021. However, the rate was below 25% in Bulgaria, Greece, Croatia, Poland, Romania and Slovakia. Among all registered short-term unemployed (without a job since less than one year) 57.3% received unemployment benefits/assistance in 2021 in the EU<sup>52</sup>, but less than 50% in six Member States<sup>53</sup> and only one third or less in Croatia, Poland and Slovakia.



More than **40%** of unemployed persons (since less than a year) in the EU did not receive any unemployment benefits in 2021.

Regarding income transfers following an earnings loss (typically unemployment benefits), recent OECD research<sup>54</sup> shows that the income support gaps between people who, prior to joblessness, were in ‘standard’ employment versus others are often sizeable in EU Member

<sup>46</sup> It reflects the extent to which social protection systems reach the groups that are at risk of poverty before social transfers (which could be considered as a proxy for the risks falling under the scope of the Recommendation). Although the ideal indicator on coverage would be the proportion of persons receiving benefits for each type of risk by previous labour market status, it is difficult in current EU-wide surveys to capture the population for which the risk materialises.

<sup>47</sup> All indicators on effective access and adequacy are based on Eurostat, EU-SILC (2021), unless otherwise specified.

<sup>48</sup> The reverse was true in eight Member States (BE, BG, EE, ES, IT, CY, LV and MT).

<sup>49</sup> Family workers were even less likely to be covered by social benefits, though the values for this category are statistically reliable only in a few Member States.

<sup>50</sup> BG, LV, LT and SI.

<sup>51</sup> EL, HR, HU, PL, PT and RO.

<sup>52</sup> Eurostat, EU-LFS, [lfsa\\_ugadra](#).

<sup>53</sup> BG, CZ, EL, ES, CY and SI.

<sup>54</sup> OECD (2022), [De-facto gaps in social protection for standard and non-standard workers: An approach for monitoring the accessibility and levels of income support](#).

States. This is mainly driven by the limited availability of income support for those with a history of self-employment, who often are excluded from earnings-related unemployment benefits. For instance, in Italy and Portugal ‘standard workers’ were 50% more likely than other workers to receive income support following a job loss while gaps were also large in Estonia, Latvia, Lithuania and Poland (20-30% more likely).

**People in non-standard forms of employment are more likely to be deprived of effective access when in need.** Indeed, existing rules governing contributions and entitlements can make

In 2022, the qualifying period for unemployment benefits was at least **1 year** in 14 Member States. For sickness benefits, it reached **6 months** or more in 10 Member States.

effective access to benefits more difficult for non-standard workers and the self-employed. For instance, in 2022, the qualifying period for unemployment benefits stood at 1 year in 12 Member States and was as long as 2 years in two Member States<sup>55</sup>. Such criteria, often intended to safeguard the financial sustainability of the system, exclude a number of people with temporary contracts and/or precarious careers from receiving benefits, even if they have contributed and are at risk of poverty. This also occurs with sickness benefits where qualification periods are as long as 6 months or more for employees in 10 Member States, and are longer for the self-employed than for employees in five Member States. Finally, in one third of the Member States, contributory maternity benefits are not available to those who have not been in employment for at least 8 months.

### 2.3.2. Policy measures

**The challenge of effective access faced by workers with non-standard contracts, in particular very short-duration contracts, and by the self-employed is recognised in many NIPs. However, the number of structural reforms implemented or proposed is limited.** Moreover, there was very little focus in the NIPs on how to improve transferability of entitlements from one scheme or job status to another.

European workers’ organisations have expressed concerns that most NIPs do not sufficiently address problems with effective access (notably strict eligibility rules that prevent those in need from accessing benefits). European employers’ organisations argue that social protection needs to be connected to employment contributions and that incentives to work need to be strengthened<sup>56</sup>.

<sup>55</sup> Source: MISSOC (1<sup>st</sup> January 2022).

<sup>56</sup> Business Europe statement during consultation of EU social partners (May 2022); and March 2021 European cross-industry [employers’ statement](#).

**Several Member States argue in their NIPs that the current rules governing entitlements are appropriate and that contribution periods must be long enough** to provide incentives to work and to ‘preserve the sustainability of the system and implement safeguards to avoid abuse’. This shows that changing the contribution and entitlement rules remains a challenging policy issue, requiring impact assessment, political consensus and involvement of all stakeholders.

**The majority of the measures reported were taken on an exceptional and temporary basis in response to the COVID-19 pandemic.** Regarding unemployment benefits, the eligibility conditions were loosened in a number of countries. For instance, Italy and Lithuania expanded the categories of potential beneficiaries and Finland allowed those temporarily laid-off to access unemployment benefits. Latvia introduced a temporary unemployment assistance benefit for those whose rights have expired and for young unemployed graduates. Germany adopted a social protection package which gave easier access to basic social security benefits for jobseekers.

**During the COVID-19 pandemic, a number of measures were taken to facilitate access to unemployment benefits or income support schemes for the self-employed.** For instance, the Netherlands adopted several temporary income support packages; Belgium extended the ‘bridging right’ (allowance in cases of bankruptcy) to cover the self-employed; Spain supported the self-employed through special benefits and exemptions from contributions. A number of Member States<sup>57</sup> focused on facilitating access to unemployment benefits or other income support for artists, as most of them could not otherwise meet the standard eligibility conditions. Germany took measures to maintain insurance coverage for self-employed artists by subsidising their contributions. Temporary measures to facilitate effective access to other branches (such as healthcare and sickness benefits) were also taken in a number of Member States<sup>58</sup>.

A limited number of structural reforms were also made, in particular regarding access to unemployment benefits and other income support schemes (see Box 3 below).

<b>Box 3: (Selected) reforms relating to effective coverage</b>
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<sup>57</sup> DE, EE, ES, FR, LU and AT.  
<sup>58</sup> See ESPN (2021).

**Spain** is reforming the unemployment assistance system to fill some of the coverage gaps, extend the maximum duration and simplify the system. Since March 2022, it has also provided access to non-contributory unemployment subsidies for employees over the age of 52 with discontinuous fixed contracts.

In 2019, **Italy** reduced the contributions required to qualify for unemployment benefits for short-term contracts and platform workers. Moreover, in 2022, it improved access to unemployment benefits for non-standard workers; for example, it extended the maximum period the benefit could be paid for in cases of involuntary redundancy for atypical contract workers (DIS-COLL allowance) to 12 months and introduced more generous wage guarantee schemes (covering suspension or reduction of activity) and made them accessible to those previously not covered, including apprentices and domestic workers.

In 2020, **Cyprus** removed the (3-year) qualifying period for healthcare benefits.

In 2021-22, **Lithuania** has been preparing a reform of unemployment insurance (*still to be adopted*) to reduce the minimum contribution period (from 12 to 9 months), to give the self-employed access to the insurance and to adjust contribution rates.

**In some countries, measures were taken that make access to social protection potentially more stringent<sup>59</sup>:** in Romania the qualifying period for sickness benefits was increased from 1 to 6 months (for both employees and the self-employed) in 2020. In 2021, France changed the eligibility criteria and benefits calculation for unemployment benefits, increasing the minimum contribution requirements. Slovenia increased the qualifying period for unemployment benefits (from 9 to 10 months) in 2020 – and introduced a 1-month waiting period for the payment of sickness benefits.

## 2.4. Adequacy

The Council Recommendation defines **adequate social protection schemes as ‘maintaining a decent standard of living and providing appropriate income replacement, while always preventing [...] members [of schemes] from falling into poverty’**. To achieve this, Member States are ‘recommended to ensure that the contributions to social protection are proportionate to the contributory capacity of workers and the self-employed’, and that ‘the calculation of the social protection contributions and entitlements of the self-employed are based on an objective and transparent assessment of their income base’. To assess the adequacy of benefits, the monitoring framework includes indicators to measure the prevalence of poverty and of material and social deprivation, as well as the impact of social transfers to reduce poverty.

### 2.4.1. Gaps

**Rates of material and social deprivation are higher for temporary-contract employees than permanent-contract employees and for part-timers compared to full-time workers. Self-employed people and temporary-contract employees are also more at risk of poverty than those in standard forms of employment.**

As the chart below shows, unemployed people experience the highest average material and social deprivation rates (36.2% in the EU in 2021), followed by the temporary-contract

<sup>59</sup> Source: MISSOC.

employees (13.1%, compared with 6.4% for permanent-contract employees)<sup>60</sup>. Part-timers also face higher rates of deprivation (10.6%) than those working full-time (6.7%). High at-risk-of-poverty (AROP) rates are found among the self-employed (21.4%), temporary-contract employees (17.2%) and part-timers (15.5%).

**In many Member States, social transfers play a key role in limiting poverty and, as might be expected, have a bigger impact among workers in non-standard forms of employment and the self-employed than among those in standard employment.** For instance, in 2021, the at-risk-of-poverty rate among those with temporary contracts was 30.0% lower after than before social transfers. The impact is also high for part-timers (27.4%) and the self-employed (29.2%).

The most recent adequacy indicators point to a levelling-off of social and material deprivation rates for all categories, following a steady decline between 2014 and 2020, especially amongst the unemployed and the self-employed. Moreover, the AROP rate (after social transfers) is still more than four times higher for self-employed people than for standard workers, and more than 3.5 times higher for temporary-contract employees than for standard workers.

The latest figures are from 2021, generally referring to the income situation in 2020. It is acknowledged that social protection systems helped people to weather the COVID-19 crisis without more substantial increases in poverty risks or income inequalities, thanks to very strong policy responses (including increased coverage, exceptional support measures and expenditure). However, another crisis, triggered by the situation in Ukraine, has started to have major economic and social impacts, in particular through inflation and rising energy poverty. Given the lags in data availability, it is still too early to measure the amplitude of the impact of these crises.

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<sup>60</sup> Eurostat, EU-SILC, 2021 (age group 16-64).

#### 2.4.2. Policy measures

The area of adequacy is addressed to some extent in the NIPs (16 Member States present measures aimed to improve adequacy). **Few Member States focus on the level of adequacy of social protection for workers in non-standard jobs. However, many have adopted or plan to adopt measures to improve adequacy, focusing on pensions for the self-employed or special categories of employees.** Some measures are also being rolled out to improve the adequacy of unemployment benefits.

**The extent to which different categories of self-employed people and workers in non-standard forms of employment contribute to pensions, will determine their future benefits.** For the self-employed, fluctuations in work and earnings represent a challenge in contributing regularly. Spain and Latvia decided to adjust the method of calculating contributions for the self-employed, to support the adequacy of future pensions, while Belgium plans to align the pensions systems of the self-employed and employees and adjust contributions by the self-employed to better reflect their contribution capacity. For the same reason, and to incentivise participation in the system, Portugal also reduced contributions rates and now calculates the contribution base every quarter, based on income earned in the previous quarter. Austria and Estonia took measures to raise pension adequacy, notably for those with low entitlements, as did Germany, where women will be the main beneficiaries. Czechia tabled a pension reform to improve the fairness of the pension system (e.g. by addressing gender gaps). In 2021, France adopted legislative measures aiming at increasing the pensions level for farmers' helpers and in 2022 Finland amended the pension insurance for the self-employed<sup>61</sup>.

**Increasing the coverage rate or duration of unemployment benefits helps improve their adequacy,** and Estonia and Lithuania took measures in this direction. Belgium also raised the minimum level of unemployment benefits, along with other minimum social security and assistance benefits. In this area in particular, many measures have been taken as a policy response to COVID-19. As an illustration, the duration of unemployment benefits was temporarily prolonged in 2020-21 (and 2022 in some cases) in Bulgaria, Denmark, Germany, Greece, Spain, Portugal, Romania, Slovakia and Sweden. Belgium, France and Italy suspended the gradual reduction of benefits over time ('degressivity'), while their level was temporarily increased in Ireland, in Luxembourg (for those in partial unemployment), in Malta (with a top-up) and permanently in some countries (Belgium, Bulgaria, Estonia, partially in Portugal). While most of these measures have now been discontinued, or will be, some Member States have chosen to make them structural. For the cultural sector in particular, new measures have been taken in several Member States. A limited number of measures focused on adequacy in branches other than pensions or unemployment. Some examples are found in the Belgian NIP (sickness, invalidity) and in the Maltese NIP (in healthcare, treatments for new chronic conditions will be free from 2023).

#### **Box 4: Gaps in social protection affecting young people<sup>62</sup>**

<sup>61</sup> Measures adopted after the submission of the NIP.



The gaps in access to social protection for workers and the self-employed are particularly pronounced among certain categories, for instance **young people**. In 2021, young people (16-29) who were unemployed and at risk of poverty (before social transfers), were much less likely (38%) than 30-64-year-olds (57%) to receive social benefits in the EU.

In half of the Member States, less than **30%** of young people received any social benefits while being unemployed and at risk of poverty (2021).

A recent report confirms that young workers often lack formal access to unemployment, sickness or maternity benefits<sup>62</sup>. In most cases, these gaps are not driven directly by age-specific rules. They are rather due either to: a lack of formal coverage for specific categories (trainees, apprentices, casual workers, platform workers, dependent self-employed) in which there are a lot of young people; or to issues of effective coverage (in particular when the rules – minimum qualification period or restrictions on minimum contributions paid or hours worked – effectively exclude young people with a short employment history and precarious contracts from social protection benefits). For instance, it is harder for young workers to meet the eligibility requirements for unemployment benefits when they lose their job. The same is true for sickness benefits. Interestingly, Austria, Belgium and Slovenia apply shorter minimum contribution periods for young people. This is also the case in Spain for maternity benefits.

While few NIPs include youth-specific reforms, there are some exceptions: the amendment of the law on social insurance of students and trainees in **Greece** and reform of maternity leave for students in **Croatia**. Moreover, some measures in response to the COVID-19 crisis were focused on young people, e.g. students. **Austria** introduced a training bonus in addition to unemployment benefits and extended the hardship fund to students. **Belgium** introduced unemployment payments for students who had lost their job due to the pandemic; and **Latvia** had put in place a temporary unemployment benefit for young graduates registered as unemployed.

Moreover, **some general (not youth-specific) measures are nevertheless particularly relevant for young people** due to their specific situation (for instance as temporary-contract or platform workers). Examples include: the reforms addressing formal coverage for non-standard workers (or effective access) referred to above; **Estonia**'s extension of healthcare insurance to all residents including students; and temporary support in **Spain** (during COVID-19) to temporary-contract workers, allowing them easier access to contributory unemployment benefits.

## 2.5. Transparency

Transparency is the fourth dimension addressed by the Council Recommendation <sup>64</sup>. **Transparency is crucial to guaranteeing access to social protection for workers and the self-employed. People may be insufficiently aware of their rights and obligations, and of the different ways of exercising those rights and complying with their obligations.** The rules may be too complex or not sufficiently clear. This can discourage participation in social protection schemes and contribute to low take-up rate for some social benefits. Self-employed people and people in non-standard forms of work may be more affected, because, as discussed above, they are often subject to specific rules and more complex procedures. In

<sup>62</sup> See also summary of SPC April 2022 thematic discussion on access of young people in 2022 SPC [Annual Report](#).

<sup>63</sup> Ghailani, D. et al (2021), 'Access to social protection for young people. An analysis of policies in 35 countries', ESPN.



addition, these categories may often lack organisations to represent their interests, as the social partners do for other categories.

The very diverse panorama of social protection systems among the Member States explains also different approaches to transparency of social protection schemes and benefits. For instance, some countries have very general ‘one-size-fits-(almost)-all’ schemes, while others have just started to transition from a set of very specific protection schemes to more general ones. Another marked difference is that some started the digital transition long ago while others were prompted by the COVID-19 pandemic. Some Member States state in their NIP that the rules on access to social protection are already clear and transparent and that information is accessible (e.g. BE, EE, FR, HR, MT, SE), with some also highlighting the importance of maintaining/improving this (BE, MT, NL, SE). In some countries, access to information (including information on the six branches of social protection) is enshrined in legislation (e.g. BE, CZ, EE, LV, RO, SI, SK). Some have included transparency and simplification as objectives in their RRP, as in the case of Cyprus’s planned reform of the social insurance system and the restructuring and digitalisation of social insurance services<sup>65</sup>.

**In general, however, transparency is not well reflected in the NIPs, but a series of reforms and measures have taken place or are being rolled out across the EU to support access to clear and up-to-date information and awareness of social rights, and to simplify procedures, in many cases also through the RRP.**

#### 2.5.1. Access to information

Access to information on social protection is needed for people to become aware of their existing rights and obligations. The provision of information can be ‘passive’, for instance in the form of information brochures or web portals, or more ‘active’, mainly via awareness-raising campaigns, general or targeted.

As recital 22 of the Council Recommendation points out, **‘digitalisation can, in particular, contribute to improving transparency for individuals’, and digital provision of information is indeed a key part of Member States’ efforts to improve access**. Though there is still a great diversity of practices, so-called portals now exist in all Member States, be they one-stop general/governmental or integrated social security portals, or portals for specific branches of social protection<sup>66</sup>.

Where information is provided for the different work statuses, special attention is generally paid (to various extents) to the situation of the self-employed (depending in part on whether self-employed people have formal access to the various branches of social security and

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<sup>64</sup> It recommends that Member States ensure that ‘the conditions and rules for all social protection schemes are transparent’ and that ‘individuals have access to updated, comprehensive, accessible, user-friendly and clearly understandable information’ (para 15) and that they ‘simplify, where necessary, the administrative requirements of social protection schemes’ (para 16).

<sup>65</sup> Reforms aimed at increasing transparency are presented in 12 RRP (BE, CZ, DE, EL, HR, CY, IT, LT, PT, RO, SI, SK), especially in sections dedicated to digitalisation.

<sup>66</sup> More details about the state of play and measures in the different Member States as regards transparency can be found in the dedicated ESPN report: Spasova et al. (forthcoming).

whether on the same or different terms to other categories). However, in several Member States there are information gaps and shortcomings specifically affecting (sub-groups of) non-standard workers and the self-employed, for which detailed information may or may not be provided (especially on general government sites): information tailored to the self-employed and to people in non-standard forms of employment is still generally limited (Romania), or the different categories are not well-differentiated (Cyprus), or information on certain schemes is missing, for instance information on voluntary schemes (Austria)<sup>67</sup>. More generally, **gaps and shortcomings in the information made available by the public administrations and/or (public or private) providers involved in the various social protection branches have been explicitly identified as an issue in 17 Member States** (BE, CZ, DE, EE, IE, EL, FR, HR, CY, LT, NL, AT, RO, SI, SK, FI, SE)<sup>68</sup>. Another possible shortcoming relates to outdated websites, created as a result of specific programmes/projects, triggered by certain events (such as the COVID-19 crisis) and funded on a temporary basis but not maintained and updated afterwards.

**The most developed personalised information available is on old-age benefits, often via online calculators.** Indeed, 21 Member States report that they provide pension calculators (or simulators) directly accessible by the citizens, who can use them to get estimates of future pension entitlements based on actual contributions and periods (BE, CZ, DK, DE, EE, ES, FR, IT, CY, LV, LT, HU, MT, AT, NL, PL, PT, SI, SK, FI, SE)<sup>69</sup>. However, information relating to occupational pension schemes and voluntary schemes seem to vary a lot between Member States and, even in the more advanced field of old-age benefits, it is not clear whether there is enough information catering for those in non-standard forms of work.

Increased digitalisation and the shift from physical services to online and digital services can create difficulties in accessing information, in particular for vulnerable groups (e.g. people with low digital skills, people with visual/hearing impairments, older people or homeless people)<sup>70</sup>. At the same time, many websites providing information on social protection are accessible to people with visual impairments (e.g. BE, DK, EE, IE, EL, LT, LU, SI) or hearing impairments (e.g. CZ, DK, EE, IE, EL, HR, LT, LU, RO, SI)<sup>71</sup>. In some cases, there are ongoing reforms to ensure accessibility of information on social protection benefits, while in Sweden for instance, information on the websites is already available in a form suitable for people with different disabilities, via easy Swedish or sign language. Swedish authorities must also provide interpreters free of charge. In Finland, since 2019, the Social Insurance Institution has been expanding its online services in sign language and offers an interpreter service for people with disabilities.

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<sup>67</sup> Ibid.

<sup>68</sup> Ibid.

<sup>69</sup> Such calculators have been reported for sickness benefits in only three Member States, and for invalidity benefits in Belgium only.

<sup>70</sup> The recent ESPN report points to issues relating to access to digital information on social protection benefits for specific groups (BE, DK, EE, EL, ES, FR, LV, LT, RO), including people with low levels of digital literacy (DK, EL, LT), homeless people (DK), people with cognitive or physical disabilities (especially visual impairments) (DK, EE, LT, RO), and elderly people (EE, LV).

<sup>71</sup> Spasova et al. (forthcoming).

Physical offices can play an important role in enhancing accessibility for people with disabilities and low digital literacy. In many countries however, there has been a significant decline in opportunities for physical access to information, often accelerated by the COVID-19 crisis. Programmes to improve digital literacy and address the digital divide have been reported in some Member States (like BE, EE and IT). It is also noteworthy that some countries among the most digitally advanced are already (re-)developing physical access or creating one-stop service centres (EE, LV). In 2020 in Estonia, a home delivery service for pension benefits became available, at a reduced price since early 2022.

Given the complexity of systems and procedures to access social benefits, **outreach is another crucial aspect of access to information** – to raise people’s awareness of their rights and obligations and of the importance of being part of social protection systems. For 2017-2021, 14 Member States reported awareness-raising campaigns on social security systems/benefits ‘in general’ or information on several benefits to address these challenges. In several countries, campaigns were conducted to raise public awareness of the conditions for accessing social security benefits, in terms of social contributions and the importance of regular employment, which is especially important for the self-employed and the people in non-standard forms of employment. In Finland for instance, unemployment funds and trade unions regularly conduct information campaigns aimed at convincing workers to join unemployment funds to be better protected against income losses in case of unemployment. There were also campaigns on specific branches of social protection in a majority of Member States. Of particular interest are the campaigns on old-age benefits targeted at non-standard workers and the self-employed (CZ, DE, HR, HU) and campaigns on future access to benefits and their adequacy (CZ, EL, LT, HU, MT, NL, PL, FI).

### 2.5.2. Simplification

Transparency can be improved through different types of simplification: simplification in the formal rules of a social protection scheme (addressed above), in the administration (institution) structure itself or simplification in the application/receipt process for accessing benefits. **Several Member States have undertaken or planned reforms to simplify the general or specific schemes, thereby extending or improving access for categories of workers in non-standard forms of employment or self-employed to more types of benefits.** Austria and Portugal introduced clearer rules for access for (categories of) the self-employed. Other simplification measures being adopted include the ‘once-only principle’<sup>72</sup> for data collection (BE, IE, EL, ES, LV, LU, PL), creation or improvement of one-stop social security portals (IE, LV, HU, MT, NL, SI, SK, SE) and (partial) automation of data exchange (DE, EL)<sup>73</sup>.

Another category of reforms relates to simplification of the application procedures. They include measures such as the launching of web portals with integrated functionalities for users and sharing of data among the different institutions (BG, CZ, IT, LV, LT, MT, NL, FI), but also online and pre-filled application procedures (DE, IT, SK), or the automatic granting of benefits for eligible people in specific branches.

#### **Box 5: (Selected) reforms/measures on transparency**

**Belgium:** The Federal Government Agreement for 2020-2024 contains a commitment to develop the existing mypension.be website, to include online accounts, calculation instruments and automatic granting of rights to benefits. Moreover, the Belgian NIP mentions the establishment of new websites with the same functions as

<sup>72</sup> The ‘once-only principle’ for data collection means establishing comprehensive digital one-stop structures for gathering data from several authorities in a single place and exchanging it (digital registers/databases, social security cards...).

<sup>73</sup> Increased/extensive digitalisation may raise numerous issues around personal data protection and privacy. Three countries have reported recent or planned reforms aiming to address those issues (DK, IE, NL).

*mypension* for unemployment benefits and benefits related to accidents at work. Since March 2020, people who might qualify for increased reimbursement of healthcare costs have been identified automatically.

**Czechia:** In 2022, the Czech Social Security Administration has launched an awareness-raising campaign on digital access to old-age pensions. Other awareness-raising campaigns include targeted activities informing future beneficiaries of the adequacy of their old-age benefits. Since 2016, the Czech Ministry of Labour and Social Affairs has been sending letters to self-employed people on the potential implications of paying minimum premiums for benefit adequacy and advising them on possible ways of avoiding poverty in old age.

**Germany:** The Digital Pension Overview Act (11 February 2021) provides for a digital pension portal, which will provide information on pension entitlements. The portal will be introduced gradually with full implementation in autumn 2023.

**Greece:** Information activities were conducted to raise awareness of the gender pension gap and increase women's awareness of the link between pension levels and contributions. Moreover, an online platform was launched in December 2020, initially to provide tele-counselling services for unemployed people during the COVID-19 crisis, which became permanent following its success.

**Italy:** The pre-filled application service for survivors' pensions has been fully operational since October 2021. Whenever an old-age pension is suspended following a pensioner's death, the service is activated automatically, and the spouse is notified of the procedure via a text message.

**Latvia:** The project 'Unified Web Platform for Government and Local Government Entities' (2018) brings information websites together in a single platform, to be completed by 2025. Latvia is also developing the SSIA (State Social Insurance Agency) universal data dashboard, collating information and providing personalised information.

**Malta:** There has also been some automation of the process for healthcare coverage for older people. As of 2022, persons aged 80 or over who receive a supplementary allowance because their income is low will automatically (without the need for a means test) become eligible for free medical assistance.

**Portugal:** New IT features are available via the 'Social Security Online' service, for instance consultation of the person's contributions and benefits history; electronic submission of pension applications and pension forecasts through an online simulator; a special ATM payment service for contributions by self-employed people. A new social security portal was launched in May 2021 (simpler, in line with accessibility standards and more secure).

**Romania:** The application process for disability benefits has been simplified through the Single Contact Point, a platform which provides information on benefits and guidance for applying. Insured people can also use it to apply for benefits. The possibility to submit documents electronically was strengthened during the COVID-19 pandemic.

### **Targeted at the self-employed**

**Bulgaria:** The interoperability of databases has been increased for tracking and paying healthcare benefits; users no longer have to collect and keep documents proving payment of healthcare benefits and old-age benefits. The relevant information is generated by integrated information systems linking the social security, health and tax administrations.

**Estonia:** Procedures for self-employed people have been further simplified with the introduction of the entrepreneur account policy in 2019. This keeps track of the income and taxes of self-employed people, and the bank managing the account forwards the correct sums to the Health Insurance Fund and Pension Fund.

**Slovenia:** In 2023 the Centres for Social Work's information system will begin automatic collection of data on payment of social contributions for self-employed people and farmers.

## **3. Summarising progress**

**The Council Recommendation's implementation period coincided with the pandemic. In 2020-21, policy attention was very much focused on emergency measures to address its social and economic consequences; fewer efforts were devoted to systemic reforms to**

adapt social protection branches to new and still changing labour market realities. The emergency measures helped extend social protection to previously uncovered or partially covered groups, but mostly on a temporary basis. At the same time, the crisis also highlighted some deep structural gaps and the need to address these, but only some countries pursued structural reforms.

### 3.1. Positive developments in access to social protection for all

Measures implemented since 2019 or announced for the future include a number of changes in legislation (or practices) that (will) facilitate concrete access for numerous workers and self-employed people to the key social protection branches covered by the Council Recommendation. It will be important to closely monitor their implementation and impacts and to follow up on those not yet adopted.

**Many reforms are concentrated in the area of formal coverage**, focusing on extending and improving social protection for the **self-employed** (in particular solo and dependent self-employed people), in most cases moving from ‘no coverage’ to ‘mandatory coverage’. Reforms were also implemented, or are planned, to improve formal coverage for workers with specific forms of contracts or in specific sectors. In eight Member States, the emergency measures deployed during the COVID-19 pandemic to provide a safety net for those not formally covered did trigger systemic changes in formal access.

**There were also some positive developments regarding effective access**, for instance reducing the length of the minimum required contributions for unemployment benefits and **regarding adequacy, mostly related to old-age benefits for the self-employed or for those with low entitlements**, and to a lesser extent to unemployment benefits. As for **transparency**, available information shows both the many existing good practices across EU Member States and the need for further progress.

### 3.2. Challenges remain

**The overall level of ambition varies significantly among the NIPs**, notably in terms of scope, number and timing of the measures (taken or announced). With a few exceptions, most of them do not aim to address all coverage gaps identified in the monitoring framework or in the context of the European Semester.

It should also be taken into account that the **starting point is very diverse** across the 27 EU Member States. In particular, the NIPs of some of the most advanced welfare states with universal and generous social security systems contain relatively few commitments to new structural reforms. Conversely, it is a concern that some Member States where non-standard workers and self-employed are still not (adequately) covered have not submitted ambitious reform plans. In addition, a few Member States consider that they fulfil the provisions of the Recommendation as soon as all workers and the self-employed are formally covered by the social protection schemes, omitting to take effective access, adequacy and transparency into account.

While a number of measures aim at improving formal coverage for the self-employed, **those with non-standard forms of contracts are the focus of fewer measures**. Significant gaps in formal and effective coverage remain for both groups, and are likely to continue in the absence of further reforms.

Implementation **challenges as acknowledged also by many Member States include**: the complexity of improving formal coverage for the self-employed; addressing the situation of specific groups of non-standard workers such as platform workers, domestic workers and farmers; the difficult balance between ensuring more effective access to benefits and financing the system.

The high-level event on **social protection of the self-employed** in June 2022 demonstrated the strong interest many Member States have in addressing the issue and the need for further mutual learning on how to tackle the gaps affecting both formal and effective access to adequate social protection.

Finally, adequate and inclusive social protection requires strong public support and involvement of all actors. However, there is **no evidence that social partners**, still less civil society organisations **have been closely involved** in preparing the NIPs. European social partner organisations stressed this lack of involvement as a key concern.

## 4. Conclusions

**The Council Recommendation has played a role in building momentum** for introducing changes to long-established national social protection systems, in order to address existing (or deepening) gaps. It has brought higher visibility for the issues of coverage, adequacy and information about social protection for workers and the self-employed in many Member States. Moreover, a number of implementation measures are an integral part of the national reform programmes in the context of the European Semester and RRPs. However, many implementation challenges remain.

With the further accelerated spread of forms of employment generally less protected by social protection and given the imperative of managing the digital and green transition in a fair way, **the Recommendation is more relevant than ever in ensuring that social protection** systems are fit to cushion a large part of the active population from economic shocks. Enhancing access to social protection also translates into higher contributions to public budgets, thus contributing to the financial and political sustainability of social protection systems.

**Implementation of the Council Recommendation needs to be anchored in broader socio-economic policies both at EU and national levels.** Importantly, some Member States took the Recommendation and the related NIP process as an opportunity to reflect on, conduct or prepare general reforms to social protection systems, adapting them to changing labour market and societal realities, including the emergence of platform work, beyond specific measures in the areas of the Recommendation.

Interestingly, **a number of Member States have also taken steps over the last few years to reduce the use of non-standard forms of contracts**, by monitoring them better, reducing social and fiscal incentives to hire on very short-duration contracts or through false self-employment, reforming labour law to address segmentation. These actions are important; they complement measures providing better coverage to those in non-standard forms of work as described in the report, and should be followed up.

The developments in access to social protection have fed the reflections of the High-Level Group on the future of social protection and of the welfare state in the EU. Addressing implementation gaps identified in this report will also contribute to responding to calls from the Conference on the Future of Europe for ‘stronger social policies’ and ‘full implementation’ of the European Pillar of Social Rights in the area of social protection and inclusion.



**Adapting systems to ensure better access to social protection for all is a long-term process**, involving social partners and other relevant national organisations. It is a positive development that some steps have been taken in a number of Member States, but remaining gaps in access to social protection are still to be tackled. **The Commission report should trigger debates on how to address the remaining challenges and how the EU could support these efforts.**

## ANNEX: Main features of the national implementation plans (NIPs) on access to social protection (and update)<sup>74</sup>

[Y: Yes; N:No]	AT	BE	BG	CY	CZ	DE	DK	EE	ES	FI	FR	EL	HR	HU	IE	IT	LT	LV	MT	NL	PL	PT	RO	SE	SI	SK	Total (Yes)
1. The NIP includes a <b>diagnosis about gaps</b> in access to social protection	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	23/26
2. In the NIP the Member State indicates it already <b>fulfils</b> most/all provisions of the Recommendation	Y	N	Y	N	Y	N	N	N	N	N	Y	N	N	Y	N	N	N	N	N	N	Y	N	N	Y	N	N	7/26
3. The NIP includes measures/reforms to improve <b>formal coverage</b>	N	Y (P)	Y (P)	Y (P)	N	N	N	Y (P)	Y (A)	N	Y (A)	Y (P)	Y (P)	N	Y (A)	Y (A)	Y (P)	N	Y (A)	Y (P)	Y (P)	Y (A)	Y (P)	N	N	N	16/26
4. The NIP includes measures/reforms to improve <b>effective coverage</b>	N	Y (A)	N	Y (A)	N	N	N	N	Y (P)	N	Y (A)	N	N	N	N	Y (A)	Y (P)	N	Y (A)	N	N	Y (A)	N	N	Y (P)	N	9/26
5. The NIP includes measures/reforms to improve <b>adequacy</b>	Y (P)	Y (A)	Y (A)	Y (A)	N	Y (P)	Y (P)	Y (A)	N	Y (P)	Y (A)	N	N	Y (A)	N	N	N	Y (A)	Y (A)	Y (P)	N	Y (A)	N	N	N	N	14/26
6. The NIP includes measures/reforms to improve <b>transparency</b>	N	Y (P)	Y (A)	Y (P)	Y (A)	Y (P)	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	Y (A)	N	N	N	N	6/26
7. The measures / reforms <b>address all or most of the gaps</b> in access to social protection*	N	Y	N	N	N	N	Y~	Y	N	Y~	Y	N	N	N	N	N	N	N	N	N	N	N	N	Y~	N	N	6/26

<sup>74</sup> Member States were invited, through the SPC delegates, to provide the Commission (during summer 2022) with an update of their measures and reforms on access to social protection.

<i>[Y: Yes; N: No]</i>	AT	BE	BG	CY	CZ	DE	DK	EE	ES	FI	FR	EL	HR	HU	IE	IT	LT	LV	MT	NL	PL	PT	RO	SE	SI	SK	Total (Yes)
8. The NIP refers to measures taken in <b>response to the COVID-19</b> pandemic	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	24/26
9. The NIP <b>only/mostly</b> refers to measures taken in response to the COVID-19 pandemic	N	N	N	N	N	N	Y	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	Y	N	Y	3/26
10. The NIP refers to measures taken during the COVID-19 pandemic that became <b>permanent</b>	Y	Y	N	N	N	Y	N	N	Y	N	Y	N	N	N	N	Y	Y	N	N	N	N	N	N	N	N	Y	8/26
11. The NIP includes specific measures for <b>young</b> people	Y	Y	N	N	N	N	Y	N	N	N	Y	Y	Y	N	Y	N	N	Y	N	N	N	N	N	N	N	N	8/26
12. The NIP includes specific measures for <b>platform</b> workers	N	Y	N	Y	N	N	N	N	Y+	N	N	N	Y+	N	N	Y	N	N	N	N	N	Y+	Y	N	Y	N	8/26
13. The NIP includes measures to improve <b>statistics</b> at national level	N	Y	N	N	N	N	Y	N	N	Y	N	N	N	N	N	N	N	N	Y	N	Y	N	N	N	N	N	5/26
14. The NIP refers explicitly to <b>consulting social partners</b> in preparing the NIP or some of its measures	N	Y	N	N	Y	N	N	Y	N	Y	Y	N	N	N	Y	Y	N	N	N	Y	N	N	Y	N	N	N	9/26
15. The recovery and resilience plan (RRP) includes <b>reforms/investments</b> to improve access to social protection	Y	Y	N	Y	Y	Y	N	Y	Y	N	N	Y	Y	-	N	Y	Y	N	Y	Y	Y	Y	Y	N	Y	Y	18/25

*Sources:* National implementation plans and RRP. Note: Only 26 Member States are covered since, as of December 2022, Luxembourg had not submitted its national implementation plan. Note: \*Gaps as measured by indicators of the EC/SPC Monitoring framework on access to social protection; (A)= adopted; (P)= planned; Y~: for these Member States there are only limited gaps to be addressed (according to the indicators of the Monitoring framework on access to social protection); Y+: for these Member States, there are no specific measures in the NIP but there are in the national RRP.