



The Council Recommendation on access to social protection for workers and self-employed

Findings from the implementation report



DG EMPL

D2, Social Protection Unit

*Mutual learning event on access to social protection- October
2023*

2019 Council Recommendation – main features

Council Recommendation on Access to Social Protection

(adopted in November 2019)

For:
all workers & the self-employed

Scope/Branches:

- Unemployment benefits
- Sickness and healthcare benefits
- Maternity and paternity benefits
- Invalidity benefits
- Old-age and survivor benefits
- Benefits in respect of accidents at work and occupational diseases

4 dimensions:

Formal Coverage

Workers:
- mandatory basis
- all branches

Self-employed:
- min. voluntary basis

Effective coverage

Entitlements and contributions:
- rules that do not prevent access

Entitlements:
- preserved, accumulated and/ or transferable

Adequacy

Benefits:
- sufficient and timely

Contributions:
- proportionate
Exemptions, reductions:
- regardless of status

Transparency

Schemes' rules:
- transparent
- administrative simplification (esp. SMEs)

General and indiv. information:
- up-to-date, clear, free

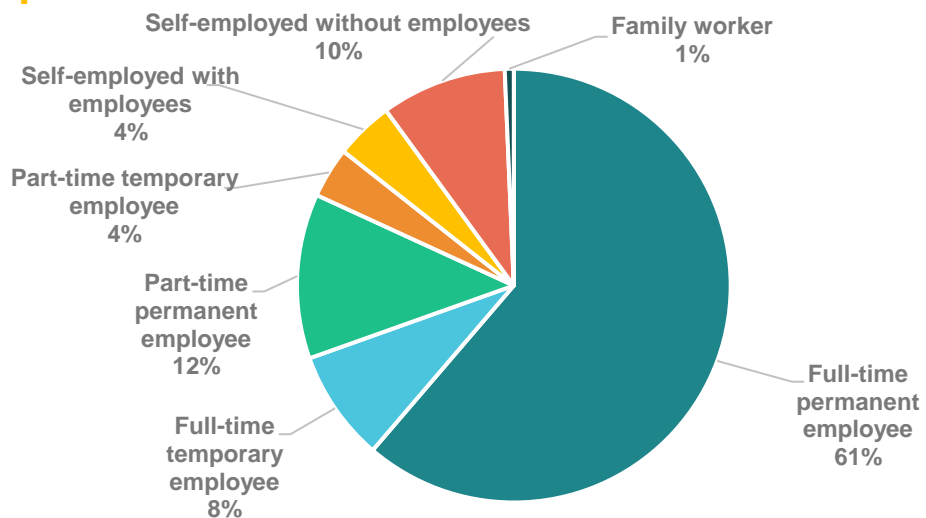
Background

- Recommendation [adopted](#) by the Council in November 2019.
- Member States were recommended to “*implement the principles set out in this 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**”*”
- Social Protection Committee endorsed in November 2020 a **guidance** for the preparation of the plans
- Commission **reviewed the implementation** of the Council Recommendation and adopted a [report](#) to the Council in January 2023

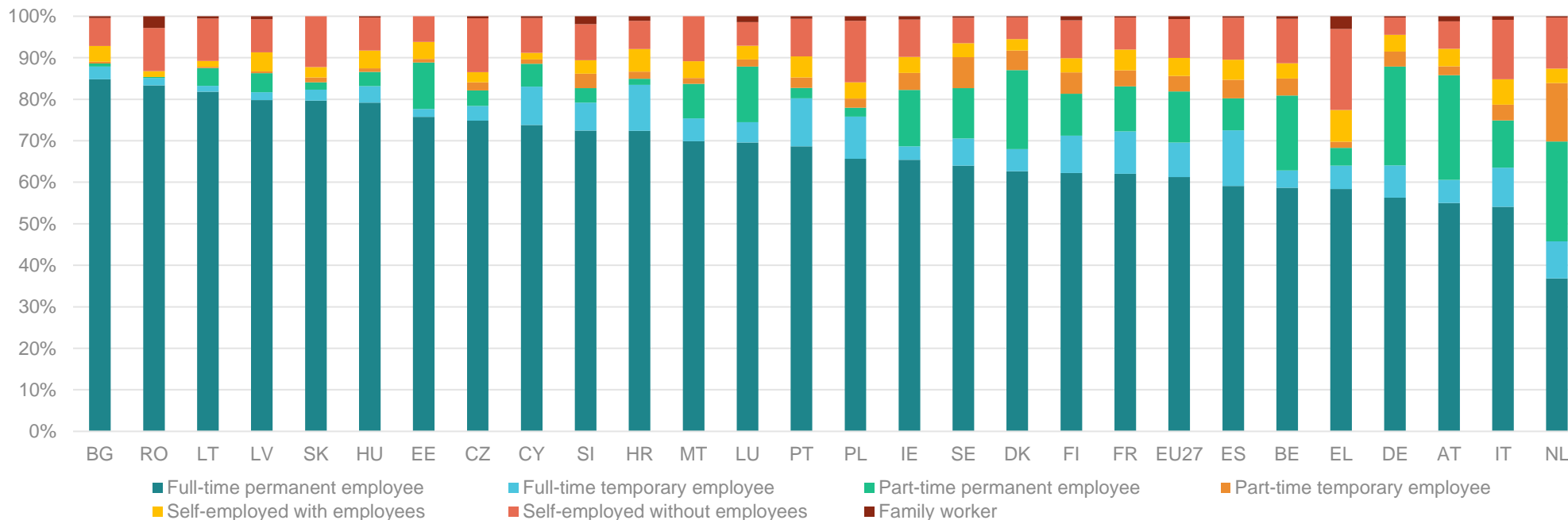
Context: some figures

- In 2022, almost **40% of the population** in employment in the EU-27 (78 million people) were in non-standard forms of work i.e. with
 - a temporary contract (24.3 million),
 - part-time work (37.1 million)
 - and/or self-employed: 27.7 million including 18.9 million solo self-employed (among which around 700,000 'dependent self-employed')
- Proportion of people in non-standard forms of work has **been stable over the last decade**; and situation vary greatly between and within groups
- ..but some **new forms of employment** (casual workers, portfolio workers, platform workers) have become more prevalent
- 28 million people in the EU work through **digital labour platforms**

Labour market statuses in EU27 (aged 15-74), 2022 (%)



Labour market statuses by Member State (aged 15-74), 2022 (%)



Main sources for the COM report

- **Policy measures**

- National plans + update by SPC delegates (summer 2022)
- European Semester (Country specific recommendations, Multilateral implementation review; Social Protection Performance Monitor; Joint employment report; etc)
- Recovery and resilience plans
- 2023 [ESPN report on transparency](#) (and 2022 ESPN report on soc. prot. for young people)

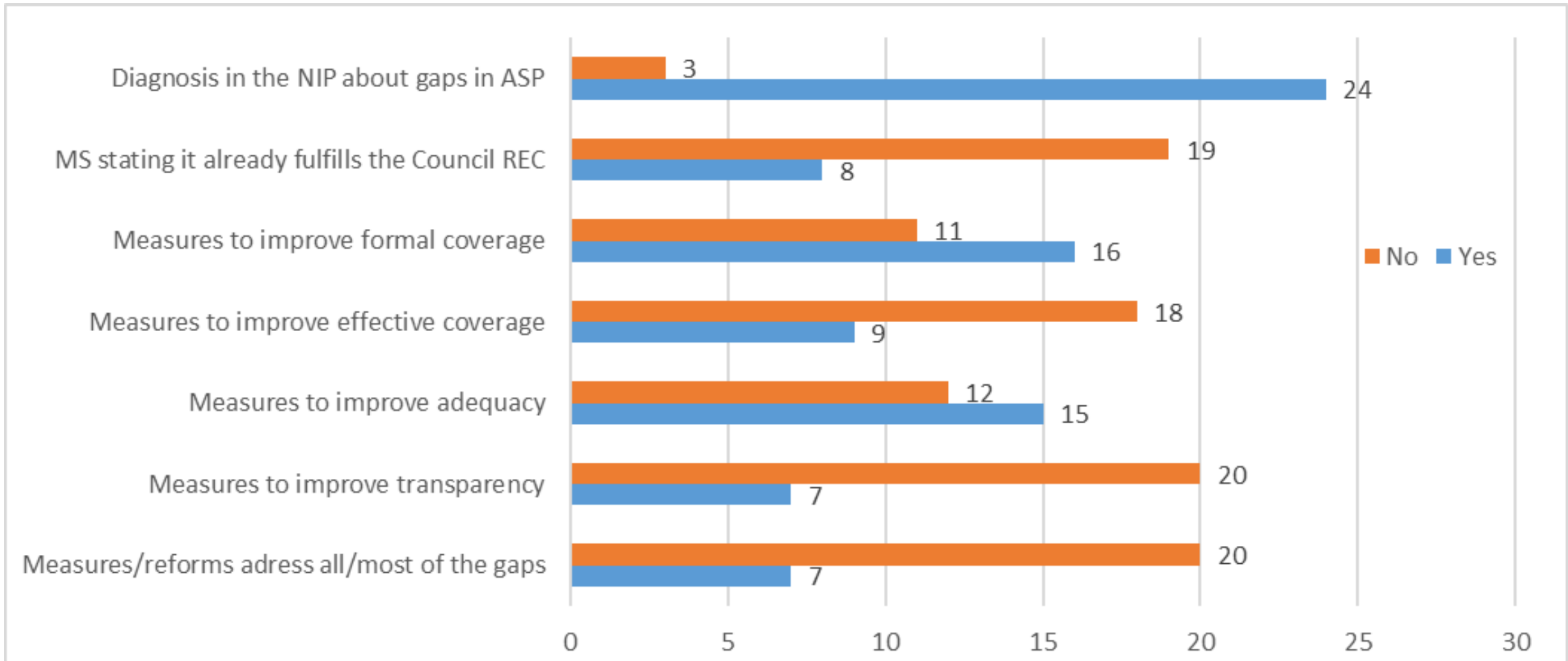
- **Statistics / indicators (based on Monitoring Framework) :**

- Data collection on formal coverage (ISG)
- EU-SILC and EU-LFS based (performance and context) indicators
- MISSOC (policy levels indicators)

Main conclusions of the report

- Large number of workers or self-employed people **left without** sufficient access to social protection
- **Mixed picture** regarding implementation efforts; overall level of **ambition varies significantly** across Member States
- With a few exceptions, most Member States **do not aim to address all** existing gaps in access to social protection
- **Starting point is very diverse** – and few commitments to new structural reforms in Member states with already universal/generous systems
- Some **ambitious reforms** (focused on **formal coverage**) in half of the Member States...
- ...but **not in a number of** Member states where non-standard workers and self-employed are still not (adequately) covered

Overview of the 27 national plans (1)



Overview of the 27 national plans (2)



Situation varies across the four dimensions

Formal coverage: gaps remain in many Member States – but most of them adopted or plan measures to address them

| | 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 | EL, FR, IT, LT, MT, NL | ES, PL, PT | BE, EE, IE, CY, LU, RO | AT, BG, CZ, DK, DE, HR, LV, HU, SI, SK, FI and SE |

Effective coverage: more difficult for some groups (non-standard forms of work, young people) – improvements during COVID-19 period but relatively few structural measures. Little focus on transferability

Adequacy: poverty and deprivation more likely to affect those in non-standard forms of work – measures in 16 MSs (e.g. pensions for self-employed, unemployment benefits)

Transparency: little focus in national plans; some reforms (in RRPs) on access to information and rules simplification. Information gaps remain and need to address digital divide.

Transparency



Transparency: definition

- 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 they are often subject to **specific rules and more complex procedures**.

Transparency : main features

- Not much addressed in **national plans**
- ..even if there are **reforms** 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 through the **RRPs**.
- Some MSs state 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).
- **Complex dimension** to monitor / compare
- Analysis based on **2022 [ESPN report on transparency](#)** (and 35 national reports)

Access to information

- General and personalised **information**: trends towards digitalisation (online portals, personal accounts, online tools, information per specific status)
- Awareness raising **campaigns** in 14 MSs over 2017-21 (e.g. when new reforms, future access to benefits, benefits of joining a scheme, COVID-19 measures, etc)
- **Gaps:**
 - Some information gaps and shortcomings specifically affecting (sub-groups of) non-standard workers and the self-employed (for instance information on voluntary schemes);
 - Online calculators but almost only for pensions
 - Complex language, outdated information
 - Access to information for vulnerable groups (people with visual/hearing impairments, older people or homeless people) ; digital divide; physical venues still matter
 - limited knowledge of sickness, healthcare and old-age benefits

Simplification

- Simplification can be done in: **formal rules** of a social protection scheme; administration (institution) **structure**; or in the **application/receipt process** for accessing benefits
- Several MSs are simplifying access to general or specific schemes (AT and PT: simpler rules for self-employed); **merging benefits** into unified schemes or harmonisation of regulation; simplification of **contribution payment** systems, **one stop social security portals**; ‘**once-only principle**’ for data collection, partial **automation** of data exchange
- application procedures: web portals with **integrated functionalities** for users and sharing of data among the different institutions; online and **pre-filled application procedures** (DE, IT, SK); some rare examples of **automatic granting** of benefits for eligible people in specific branches

ANNEX

Some horizontal dimensions regarding implementation of the 2019 Council recommendation

Impact of COVID-19 crisis and policy response

- COVID-19 crisis **revealed gaps** in access to (adequate) social protection
- Many **measures** supporting groups previously not covered: relaxation of the rules, extension of the duration, and/or increase in the amounts of benefits; specific support to some groups (work with precarious contracts, self-employed) or sector/occupation (culture, health, domestic workers)
- But the majority of measures taken (during 2020-21) were **temporary**– and not **made permanent feature** of the social protection system (only 8/27 did so)
- Also confirmed by Multilateral implementation review discussions and [ESPN report on Social protection and inclusion policy responses to the COVID-19 crisis](#).
- In some cases **structural reforms were postponed**.

Challenges regarding implementation of the Recommendation

- Complexity of improving formal coverage for self-employed
- ..as well as non-standard workers (including platform workers, domestic workers and farmers)
- Broader issues such as:
 - limiting the use of non-standard contracts, preventing false self-employment and regulating platform work,
 - tax-related issues and adaptation of the overall social protection systems,
 - addressing the “low take-up rate” for some social benefits and the potential negative impact of the digital divide
 - and ensuring more universal access.

Access to social protection in European Semester and RRPs

- **Context:**

- in 2020, 16 MSs had a CSR on social protection - with a focus on improving access for non-standard workers and self-employed in 9 of them (EE, ES, IT, CY, LT, NL, PL, PT, SI);
- in 2022, 4 MSs had a CSR related to access to social protection (EE, HU, NL and PL).
- 18 member States includes in RRPs reforms/investments to improve access to social protection: Transparency (13 MS); Adequacy (9); Effective access (9); Formal access (8)
- However, plans include **little references to the European Semester** analysis and recommendations and to RRPs measures
- Measures referred to in the plans could benefit from **better linkage with European Semester and RRP implementation**

Main features of the national implementation plans (NIPs) on access to social protection (and update)

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

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

Sources: National implementation plans and RRP. 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.

Formal coverage : definition

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

Effective coverage: definition

- 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.

Adequacy: definition

- 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.