



European Foundation
for the Improvement
of Living and Working
Conditions

The tripartite EU Agency providing knowledge
to assist in the development of better social,
employment and work-related policies

Social protection and SURE

Informal meeting of Employment and Social Affairs Ministers (EPSCO)

Belgian Presidency of the Council of the European Union
Namur, 11-12 January 2024

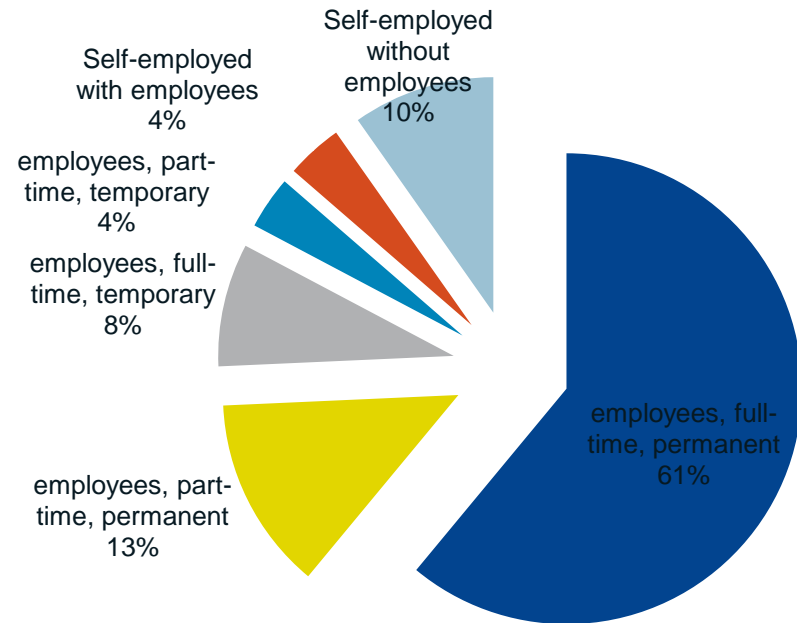
Presentation by Ivailo Kalfin, Executive Director Eurofound
Presentation by Prof. dr. Paul Schoukens, Full Professor KU Leuven

Overview

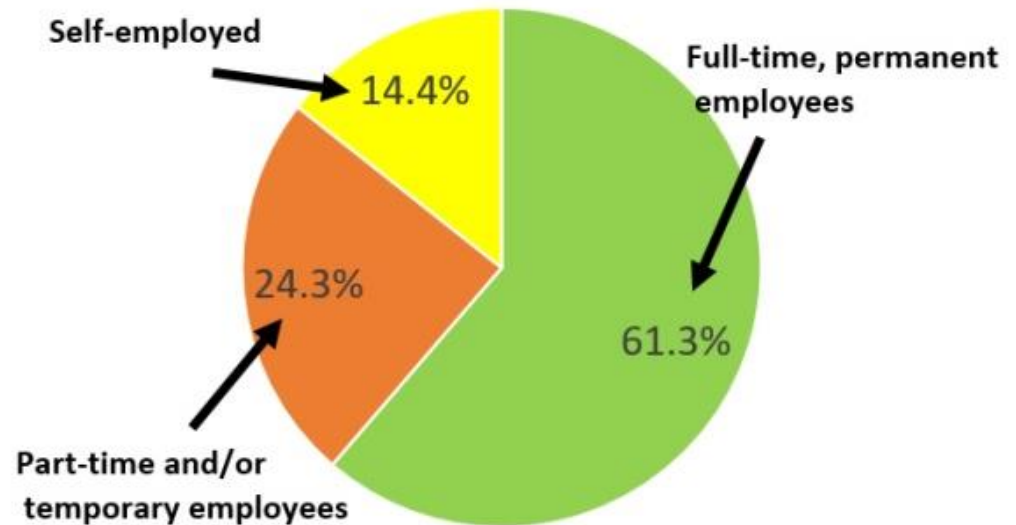
1. **Standard work and work-related social protection**
2. **Gaps in social protection for non-standard workers and the self-employed**
3. **EPSR and the Recommendation on Access to Social Protection (2019)**
 - **Zooming in on one branch: Unemployment benefits** (based on Eurofound forthcoming research Social Protection 2.0: Unemployment benefits and minimum income, to be published in November 2024)
4. **Strengthening the Recommendation**

How does the labour market look today?

Population in employment by status, EU-28, 2018



Population in employment by status, EU-27, 2021



Source: Eurostat, Labour Force Survey

Access to Social Protection for self-employed workers

Most problematic schemes in terms of access	Formal access			
	Available		Only means-tested/flat rate protection available (if different than for workers)	Not available
	Mandatory	Voluntary / opt- out and exemptions		
Unemployment	CZ, EL*, ES*, FR*, HR, HU, IE, LU, LT*, MT, PL, PT*, SI, UK*	AT, DE, DK, FI, RO, SE, SK	BE, EE	BG, CY, IT*, LV, NL
Accidents-at-work & occupational injury	AT, HR, HU, IT, PL, LU, MT, PT, SE, SI	DK, DE, ES, FI, UK		BE, BG, CY, CZ, EE, FR, EL*, IE, LV, LT, NL, RO, SK
Sickness benefits	AT*, BE, CY, DK, EL*, ES*, EE*, FI, FR, HR, HU, LU, LT, LV, MT, PL, PT*, RO, SE, SI, SK* UK*	BG, CZ, DE*, IE, NL		IT*

*access only for certain categories or differentiated access (voluntary/compulsory) according to the category of self-employed or income/asset/contribution levels.

Source: S. Spasova & S. Roshan (2023, forthcoming)

Access to Social Protection for non-standard workers

- In 17 Member States, at least one group of non-standard workers faces formal gaps
- Branches with most gaps:
 - Unemployment (13 MS)
 - Sickness (11 MS)
 - Maternity benefits (9 MS)
- Categories most affected
 - Casual workers; those on simplified, short-term fixed contracts; seasonal workers; country-specific work contracts; apprentices and trainees

EPSR and the Recommendation on Access to Social Protection

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.”

‘Labour status neutrality’

Council Recommendation: Main features

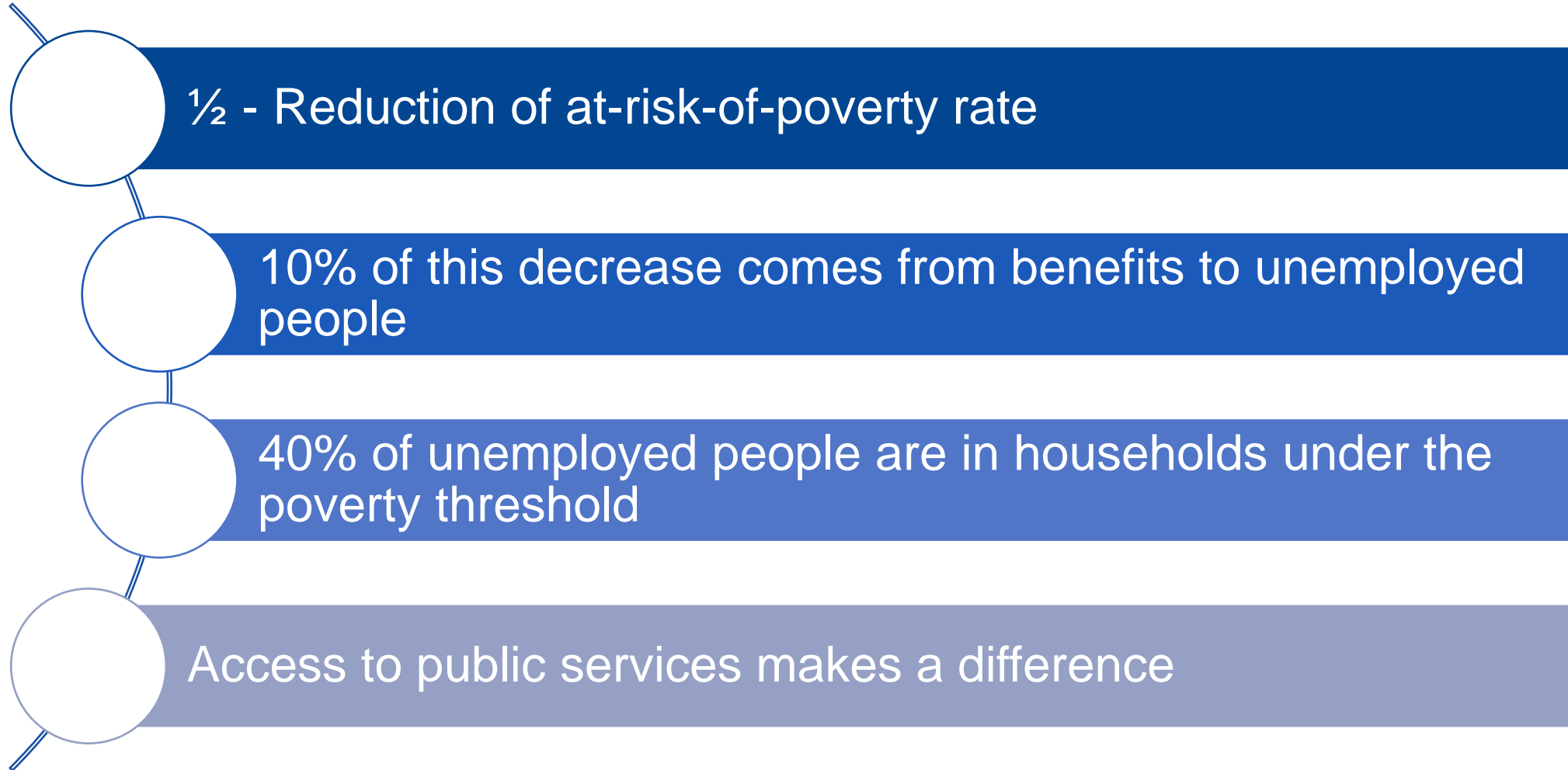


Zooming in on one branch: Eurofound research

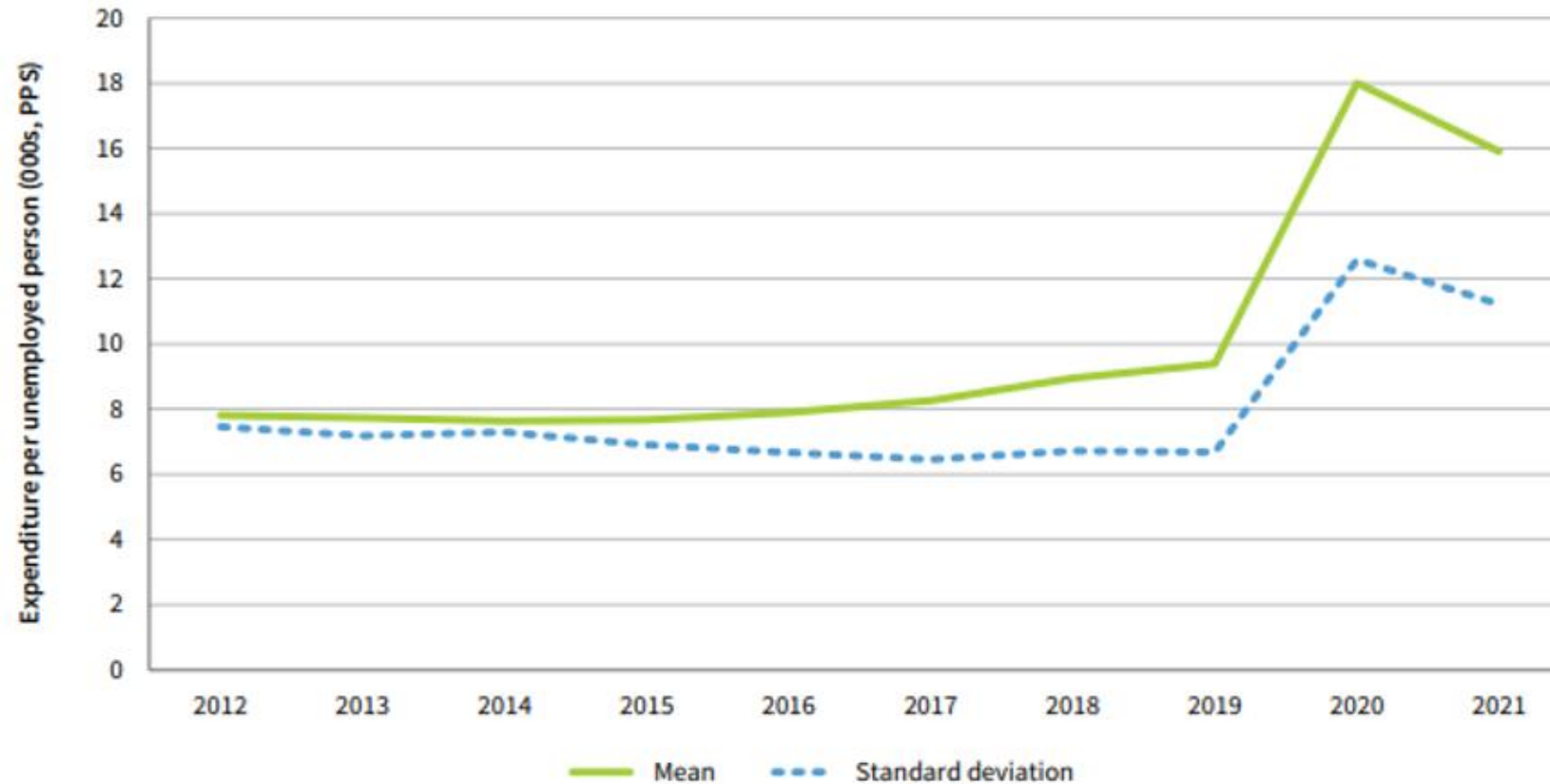
“What is the latest state of play regarding unemployment benefits?” by *Ivailo Kalfin, Executive Director of Eurofound*

Based on Eurofound forthcoming research Social Protection 2.0: Unemployment benefits and minimum income, to be published September 2024

Benefits and tax measures matter



Expenditure on unemployment benefits per person unemployed and variance between Member States, 2012 – 2021



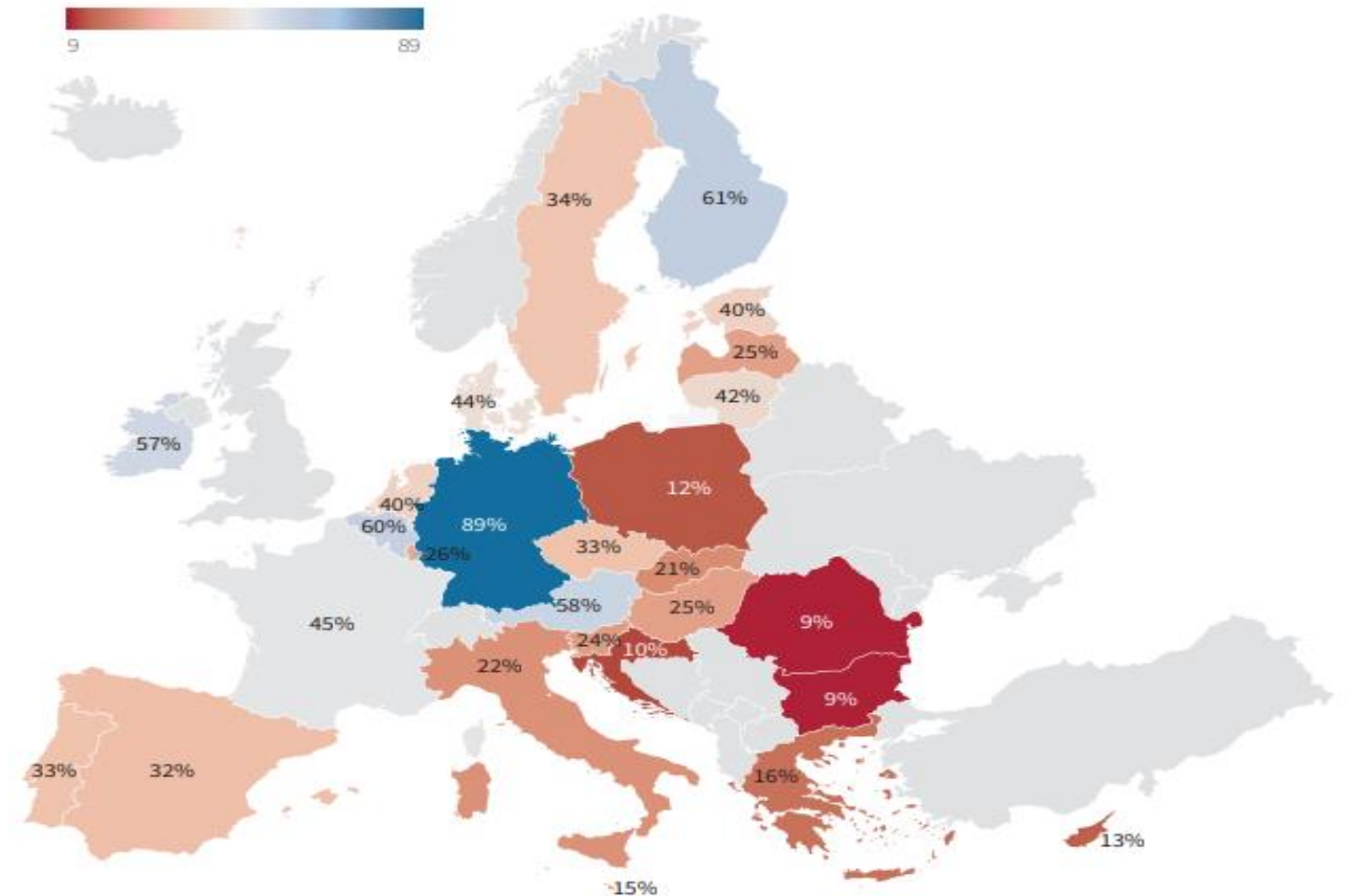
Notes: Expenditure on social-insurance-based and social-assistance-based schemes, in purchasing power standard (PPS), per unemployed person. An increase in the standard deviation reflects an increase in disparities between Member States (divergence).

Source: Eurostat, Social Protection Expenditure (ESSPROS main expenditure types: unemployment)

Coverage:

Percentage of unemployed people in receipt of benefits or assistance, EU Member States, 2021 (%)

- **Ineligible groups:** Gaps exist for those who are self-employed, have non-standard contracts, domestic workers, platform workers, young people, freelancers in creative industries, non-nationals, long-term unemployed, etc.
- **Non-take-up:** mainly an issue for other benefits supporting the unemployed (i.e. less so for unemployment benefits), such as minimum income benefits. Simplification, better communication, link of unemployment benefits with other forms of support can help reduce the non-take up.



Note: Proportions of the unemployed population, according to the International Labour Organization definition of unemployment used in EU-LFS, that is, in receipt of 'benefits or assistance', whether registered at an employment office or not. Survey weights applied.
Source: Authors' calculations from EU-LFS micro data

Adequacy:

Low benefits:

- Low-income earners, short work history, long-term unemployed

Inflation adjustment:

- Sometimes absent or limited (but MS implemented extraordinary increases in the cost-of-living crisis), and important to note that low-income households face different inflation than higher-income households

Inability to make ends meet regardless of benefit receipt:

- Longer unemployed, low educational attainment, single parent, poor self-reported health

Rejection decisions

- High. In several countries, over 20% of low-tier (mostly means tested) unemployment benefit applications are rejected but also contributory;
- Reasons vary, need to be mapped better, and can point to improving efficiencies and increased trust.

Digitalisation of access to unemployment benefits

- Unemployment benefits can be applied for online in almost all Member States.
- But sometimes non-digital steps remain, and in-person options usually remain and are used (e.g. for low-income recipients).

Access to other benefits

- In some Member States unemployment benefits are linked with entitlement to other essential services – e.g. healthcare, public transport, social housing, paying for utilities, childcare support
- Access to services can be hindered in countries where such entitlements do not exist or not granted more universally (e.g. based on residence), and access to services beyond the basics can still decrease.

Adequacy of unemployment benefits: Points to be addressed

The green and digital transition calls for effective safety nets to support those whose jobs are affected;

To reduce both rejections and non-take-up, policymakers could consider broadening coverage and reducing conditionality, simplifying criteria and facilitating automation, reducing administrative assessment costs and improving communication;

There is a need to look beyond income to guarantee a life of dignity. Adequate replacement rates, adjusting for inflation and access to services of good quality play a key role;

If unemployment were to increase, it will be an even greater challenge to reduce poverty rates (European Pillar of Social Rights Action Plan), unless entitlement is broadened, non-take-up reduced and adequacy improved.

Strengthening the Council Recommendation on Access to Social Protection

“Potential Pathways to strengthen by implementation of the Recommendation” *by prof. dr. Schoukens (KU Leuven)*

Enhancing the monitoring of the recommendation: measuring progress

➤ Design and structure

- Developed and overseen by Indicators Sub-Group (SPC)
- Based upon indicators: performance (outcome), context (prevalence), policy levers (schemes)

➤ Outstanding issues

- Framework and reporting (art. 19-20 recommendation)
 - Too generally stipulated? Sustainable follow-up?
 - Huge diversity in national approaches of reporting
- Open norms (lack of descriptions)
 - Adequacy – appropriate income replacement
 - Mandatory protection: ‘where appropriate’
- Need for (more) refined indicators
- Capturing evolutions in society (e.g. covid-19 and follow-up in social protection)
- Danger of lack of coherence due to multitude of monitoring processes (across various existing EU instruments)

Monitoring: measuring progress

- **Strengthening structure monitoring process**
 - Every x (3) years
 - Decision Council
- **Aligning with other running monitoring processes → coherent approach**
 - Recommendation minimum income
- **Further interpretation open norms and common approach future evolutions**
- **Refining indicators**
 - Adequacy
 - Relation other (international) instruments (CoE/ILO/OECD)
 - Euromod
 - Transparency

Translating into legal action

- **Legal entitlement** (Recommendation → directive?)
 - Every worker shall..
 - No one shall be left without...

- Towards modernised minimum standards in field of social security?
 - Compare ILO/CoE
 - Relation social assistance/minimum income

Translating into legal action (II): SURE 2.0?

- **Role and effect Job Retention Schemes and SURE during COVID-19**
 - Estimates OECD (2022):
 - Saved up to 21 million jobs
 - Contained reduction net labour income families (7% compared to 22%)
 - Compare approach/reaction financial-economic crisis

- **Comprehensive application, implementation and design of JRS, including for non-standard workers and SE!**
 - NSW and SE amount to about 40% of workforce in the sectors most affected by the pandemic
 - Although, JRS/temporary UB not part of Recommendation on access (2019)
 - Impact financial assistance SURE
 - Led to rethinking fundamentally coverage UB for self-employed
 - Led to introduction comprehensive approach in relation to JRS in MS (although most schemes were only temporary)

Translating into legal action (II): SURE 2.0?

Following logic EPSR: towards a permanent SURE (for JRT/temporary unemployment)

- Addresses evolution towards coverage for temporary unemployment in case of fundamental crisis, pandemic, ecological/climate disaster, labour market changes (see evolution on national level)
 - In comprehensive manner across EU (coherent use/no abuse)
 - EU monitored (financial incentive and minimum conditions)
 - Reflects idea of reinsurance unemployment but contained and delineated (and more easily controlled)
 - Leads to proactive policy instead of 'a posteriori' emergency approach
 - With attention to non-standard work and S-E
 - Example convergence on the basis of financial incentives (compare US approach with regard to UB (state) schemes)
 - Possibility of enhanced support/solidarity in case of asymmetrical shocks across EU

Linking up with Governance

➤ Semester system

- Cf. Objectives financial crisis – European recession: aligning social, labour and economic monitoring
- Introducing more social recommendations, going beyond (social) budgetary norms
- Toward a balanced approach addressing financing (input) as well as adequacy (outcomes)
 - Presupposes clear vision on EU social model
 - Use Recommendation /EPSR as basic layer for EU model?

Thank you for your attention