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Les délégations trouveront ci-joint le document relatif au résultat des discussions thématiques approfondies auprès du Comité de la protection sociale, en tant qu'addendum de l'avis conjoint du Comité de l'emploi et du Comité de la protection sociale sur les recommandations par pays 2022.

**Horizontal Opinion of the Employment Committee and the Social Protection
Committee on the
2022 Cycle of the European Semester**

Annex 4– Outcome of the In-depth thematic discussions in SPC

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1) Thematic Discussion on *Social Protection and Social Inclusion* in the context of the 2022 SPC Multilateral Implementation Reviews

1. Background

Reducing poverty and fighting social exclusion remain key challenges for all Member States. The positive developments in the social situation observed prior to 2020 were interrupted and then put into reverse by the crisis caused by the COVID-19 outbreak. The impact of the various restrictions on social and economic activities, driven by pandemic, has been mitigated by the actions taken at EU and Member States levels. These actions included short-time work schemes and other job retention efforts to protect jobs and livelihoods at the onset of the crisis. In addition, social protection systems helped to further weather the pandemic without substantial increases in poverty risks or income inequality. Still, poverty and social exclusion risks remain high for certain population groups.

Young people, and in particular those that needed to enter the labour market for the first time were also strongly impacted by the pandemic, as witnessed by the notable increase of young people not in employment, education or training (NEET), which marked the end of the six-year trend of declining NEET numbers. In addition, young people are generally less well covered by social protection systems across the Member States, resulting in a higher risk of poverty or social exclusion (AROPE) for 16-29 year olds, than for older people.

To reflect on these developments, on 5 April, the SPC held a thematic discussion on *Social Protection and Social Inclusion*, with a particular focus on the specific situation of young people in accessing various benefits and services of social protection. The exchange was framed by presentations from the European Commission and Denmark and was moderated by Sarah Marchal, assistant research professor at the University of Antwerp.

2. Outcome of the discussion

In the first round of exchanges, the delegates reflected on the *role of the minimum income schemes to assist young people in actively participating in the society and the labour market*. During the exchange, the following key elements emerged:

- Means-tested minimum income schemes exist in all EU Member States to provide income replacement for those without sufficient means of existence. They may supplement low wages and pensions. These schemes vary significantly in terms of adequacy, coverage, take-up, articulation with labour market activation measures and provision of enabling goods or services.
- The exchange has shown that young people in all Member States are covered by income support schemes, either under a general scheme, or - in some cases - under more targeted schemes. As income support is provided at household level, in several instances the eligibility criteria are adapted to better reflect the circumstances of families with young individuals. This may entail, for example, not taking into account certain education-related incomes (student loans or grants) during the means testing.
- Typically, people aged 18 and above have access to such schemes, but in several Member States, minimum income support can be granted to minors subject to specific conditions. In a few national practices, the age criterion is set higher than 18.
- A major condition for receiving minimum income benefits across all Member States is the requirement for beneficiaries, who are able to work, to actively seek employment and participate in active labour market policies. This condition also applies to young people, but is often modified to incentivise a return to education, especially for young people with low or incomplete qualifications.
- Evidence from some Member States points to more significant non-take-up rates among the younger persons. Among the main reason identified were lack of information, fear of stigmatization and the level of the benefit. The importance of outreach activities was highlighted in a number of interventions.
- In contrast, in some other Member States, young people seem to be over-represented among minimum income recipients, which can be attributed to the overall generosity of the benefit in these countries, rather than to obstacles preventing access the labour market. This illustrates the issue of financial incentives and the need for a multidisciplinary approach to support youth. Important efforts are made by the Member States to prevent, or reduce long-

term benefit dependency, in particular by outreach activities and the provision of various services.

- Tailoring and targeting social and employment support to the individual needs is of high importance as barriers for young people to enter, or return to the labour market often differ from the barriers faced by the rest of the population. Efforts to integrate various services into one stop-shops have proven beneficial, as they often lead to reinforced case management through multidisciplinary teams and better serve the needs of the individual beneficiaries.

In the second round of discussions, the delegates focused on the question of how to *further improve the access of young workers to effective and adequate social protection*.

- The exchange confirmed that in most intervening Member States, the rules governing access to social protection are not age-specific, but certain gaps and obstacles to access are more significant for young people, compared to the rest of the population. For example, formal eligibility criteria may exclude certain categories, such as interns or apprentices, or impact certain types of non-standard work in which young workers are overrepresented. In addition, contributory requirements for workers to qualify may prevent recent graduates or young persons with short or unstable careers from accessing social protection, in particular contributory benefits such as unemployment or sickness benefits.
- For instance, the qualifying period needed for accessing unemployment benefits is 12 months or more for employees in more than half of the Member States. This eligibility condition is more difficult to be met by young workers when losing their job. 3 Member States are taking this into account by imposing a shorter qualifying period for young people. Moreover, young people entitled to unemployment benefits tend to receive them for a shorter period than other workers (due to shorter periods of contributions) and the method used to calculate benefits often leads to lower level of benefits.
- The COVID 19 pandemic increased the visibility of these obstacles and in response, a number of countries took temporary measures to ensure the protection of young workers from major social risks.
- In response to the 2019 Council Recommendation on Access to Social Protection, Member States have initiated various reforms through national plans submitted throughout 2021, as described in the detail in the dedicated section of the 2021 SPC Annual Report. The exchange confirmed that – with a few exceptions – those reforms and measures do not target specifically younger people, but could indirectly benefit them. Such measures include efforts to improve access to unemployment benefits, extend healthcare insurance, better access to

sickness and maternity leaves, as well as efforts to extend the formal coverage of specific categories, such as, for example, platform workers, seasonal or day workers.

- Multidimensional approaches may be required to improve the formal and effective access to (adequate and transparent) social protection benefits for young workers in need. Such approaches could include actions like monitoring the situation to address explicit obstacles (such as lack of formal access), adapting the eligibility rules to support access for young workers, as well as building on the temporary measures introduced as a response to COVID-19 crisis, to promote structural reform.
- The discussions confirmed that there is scope for further exchanges on the issue in the context of the mutual learning activities of the Member States and in the Minimum Income Network.

2) Thematic Discussion on Pensions in the context of the 2022 SPC Multilateral Implementation Reviews

1. Background

Pensions, given their high budgetary weight and social importance¹, in particular in view of Europe's ageing societies and changing labour markets, have been a focus area since the very start of the European Semester. In the years prior to the COVID-19 outbreak, approximately three-quarters of the Member States received country-specific recommendations (CSRs) related to their pension system.

In 2020, the special circumstances and extraordinary nature of the COVID-19 crisis resulted in no CSRs on pensions being issued by the Council, even though pension issues were identified in recitals of the Recommendations. In 2021, given the comprehensive and forward-looking policy nature of the recovery and resilience plans², no (non-fiscal) country-specific recommendations were proposed either.

In this context, reform implementation in the areas of pensions continues to be monitored by the **Social Protection Committee** by means of a thematic discussion, as well as by country-specific reviews of the past CSRs, where relevant.

¹ Pensions are the main source of income of older people in Europe, constituting over 80% of their disposable household income. Retired people drawing a pension are a significant and growing part of the EU-27 population (about one in four of the total population in 2020), while public pension expenditure accounts for more than 11% of Member States' GDP.

² The national Recovery and Resilience Plans include pension reform measures for six Member States (Belgium, Spain, Latvia, Austria, Romania and Slovenia).

The thematic discussions on *pensions* took place on 28 February. At the meeting, the Member States engaged in a moderated exchange on two steering questions. The scene for the exchange was set by presentations from the European Commission and relevant case studies from Latvia, Italy and Croatia. The exchange was moderated by Gijsbrecht ‘Gijs’ Dekkers - former Chair of the SPC Working Group on Pensions Adequacy.

2. Outcome of the discussion

In the first part of the meeting, *the delegates reflected on the effectiveness of minimum pensions and minimum old-age benefits in tackling old-age poverty*. The presented case studies were from Latvia and Italy.

- During the exchange, a consensus emerged that non-contributory pensions, contributory minimum pensions and social assistance benefits for older people with low income can be effective in addressing old-age poverty by providing basic income safety. The exchange also demonstrated that while the provision of some form of minimum income support for older persons is ensured in most Member States, the conditionality and capacity of such support to prevent poverty varies substantially across the Member States.
- More concretely, in Member States where the public pension system provides a residence-based flat-rate pension or pension component, this benefit ensures some level of minimum income protection in old age, though those who don't meet the residence criterion may still fall through the gaps. In countries with an earnings-based pension system, the provision of a contributory minimum pension is subject to qualifying conditions and the level of benefit may vary, depending on the length of career, thus emphasising the importance of including periods of inactivity (such as unemployment, illness, care periods or career breaks) in the calculation of contributory periods. Beyond minimum pensions, almost all Member States provide specific social assistance benefits for older people, in most cases as a protection of last resort, subject to means- or income-testing.
- The delegates also agreed that the effectiveness of minimum pensions and minimum old-age benefits in addressing poverty can be augmented when combined with other measures, such as for example access to long-term care and healthcare, or benefits targeted to cover specific needs, such as housing costs.
- The rising importance of non-contributory pensions, as well as the proliferation of new forms of work often characterised by low contributions, illustrate the increasing need to balance the objective of the pensions systems of ensuring protection from poverty versus that of ensuring income replacement. In that sense, the interplay between the levels of minimum non-

contributory and minimum contributory pensions deserves special attention, as this interplay has a direct impact on incentives to contribute to the pensions system, thus affecting both the long-term sustainability and adequacy of pensions. In this respect, carefully setting the eligibility conditions for obtaining a contributory minimum pension is also important.

- A number of Member States also reflected on the increasing pressure to finance pensions through fiscal revenue, rather than social contributions – this is already the main source of financing public pensions in some Member States. Other delegates emphasised the view that to ensure the adequacy of future pensions, measures are needed to address labour market segmentation and the generally low levels of wages in certain professions, as those impact people's pension adequacy in contribution-based pension schemes.

In the second part of the thematic discussion, *the Member States reflected on the role of pensions credits for care periods³ in tackling the gender pension gap*. The exchange confirmed the important role of such credits to improve gender equality in the pensions systems.

- The delegates acknowledged that across Europe, older women face a significantly higher poverty risk and lower pensions than men do. Given the longer life expectancy, the old age-poverty risk among women becomes even higher after the age of 75. Care responsibilities, which often push women into part-time work, career breaks or early retirement; and negatively affect their income and pension entitlements, in conjunction with the gender pay gap, were identified as one of the main contributing factors for old age poverty among women.
- To that end, almost all EU Member States are offering credits to compensate caregivers (mostly women) for the time spent out of paid work to look after family members. Such credits may be limited in time, or conditional on the caregiver being entitled to childcare benefits, but there is clear evidence from several countries that additionally credited periods of care are very important and effective in protecting the future pension income of care providers.
- A number of interventions pointed out the role of labour markets in addressing the gender pension gap. Future old-age poverty among women can be addressed by measures that encourage labour market participation rather than directly increasing pension benefits. Such measures include supportive policies for working mothers (such as flexible working conditions, provision of formal child care, income tax subsidies), but also measures to

³ Broadly understood as pension rights granted for non-working periods, when the person is taking break from paid employment to provide care for dependent children or adults

facilitate re-entry into the workforce after a career interruption. In addition, the gender pay gap should be addressed. Several Member States also emphasized the importance of ensuring that individuals are well informed about the impact of lost contribution periods on pensions.

- The delegates agreed on the importance of systematic monitoring of the gender pension gap and the effects of reforms on women's pension adequacy. Comprehensive assessments of Member States' pension systems should always consider the systems' capacity to promote gender equality in old age.

3) Thematic Discussion on Healthcare in the context of the 2022 SPC Multilateral Implementation Reviews

1. Background

The COVID-19 pandemic impacted the delivery of healthcare in all EU countries, highlighting the need to improve the preparedness of health systems to better respond to crisis events. While the pandemic raised new crisis-related challenges (such as, for example those related to testing capacity), it has also laid bare and exacerbated existing structural challenges (including access to care and health workforce shortages, which also impact the quality of care).

Accordingly, the 2020 cycle of the European Semester put a strong emphasis on reforms in the area of healthcare, with all Member States receiving a country-specific recommendation (CSR) to address the resilience of their systems. In 2021, given the comprehensive and forward-looking policy nature of the recovery and resilience plans⁴, no (non-fiscal) CSRs were proposed. In this context, reform implementation in the areas of healthcare continues to be monitored by the **Social Protection Committee** by means of a thematic discussion, as well as by country-specific reviews of the past CSRs, where relevant.

The SPC held its thematic discussion on Healthcare on 16 March. The exchange was structured around the issues of workforce availability and the uptake of telemedicine, reflecting two of the major common challenges for all Member States. Presentations from the European Commission, Lithuania and Portugal were used to frame the discussions, which was moderated by Josep Figueras, Director of the European Observatory on Health Systems and Policies - in his capacity as a thematic expert in the area of Healthcare.

⁴ All 22 national Recovery and Resilience Plans that had been adopted at the time when this review was organised included health care reform measures.

2. Outcome of the discussions

In the first round of interventions, *the delegates focused on the issue of workforce availability and its impact on the equity of access to healthcare*. To frame the discussion, Lithuania presented its efforts in tackling the uneven distribution of healthcare professionals across the country.

- In the ensuing discussion, a number of intervening Member States acknowledged that they experience, albeit to a different degree, shortages and regional disparities in the availability of their health workforce. Family doctors, nursing and intensive care unit staff, as well as medical personnel with certain specialist knowledge were recognized as professions, where the shortages are most severe. These shortages in turn negatively impact the provision of quality healthcare and equity of access for the population.
- The COVID-19 pandemic has put the existing health workforce under tremendous pressure. While the far reaching health impacts of the pandemic are yet to be fully understood, the need to expand the capacity of the health workforces across all Member States is being recognized. In addition, projections in a number of countries show that future demand for health workers will increase, also in view of the ageing of the population. The on-going war in Ukraine and the need to address the health needs of refugees fleeing from conflict is also expected to have an impact in both the short- and the long term.
- The delegates further discussed strategies and measures to address the challenge, agreeing that there is no single best recipe for attracting and retaining the needed medical professionals. The importance for efficient coordination between social and healthcare systems was mentioned, as well as the importance of designing and aligning incentives at regional and sub-regional levels, supported by national quality assessment frameworks to ensure equity across the country. Reorienting service delivery away from hospitals to primary care remains a key priority.
- To increase the attractiveness of the medical profession, a package of measures, which might include efforts to improve the working conditions, to increase the remuneration, to provide flexible working hours and other non-economic incentives is needed. Communication to medical students was also recognized as an effective way to promote less-attractive professions. Some countries are also taking steps to facilitate the hiring of medical staff from non-EU Member States.

- All intervening Member States emphasized their on-going efforts to improve the qualifications of medical personnel, for example through cross-training and enrolment in training programmes. Several Member States highlighted the increased availability of scholarships and the higher number of places in medical schools. The importance of training both patients and medical professionals in the use of digital technologies was emphasized.
- A number of Member States also recognized the role of EU funding, and in particular the RRF for financing national measures and reforms. At the time of the review, all adopted Recovery and Resilience Plans for a total of 22 Member States include measures to improve their health systems.

In the second round of interventions, the discussions focused on the accelerated uptake of telemedicine. In particular, *the delegates reflected on how to maintain the momentum for innovation, created by the COVID-19 pandemic, whilst addressing digital divide concerns related to limited digital skills and IT access issues in parts of the population.* The discussion was framed by a presentation from Portugal.

- The delegates agreed that the pandemic has served as a catalyst for innovation and resulted in a massive acceleration in the take-up of digital health tools. The examples from the Member States demonstrated the potential of telemedicine to improve access to medical care, reduce overall costs, waiting times and regional access inequalities, as well as to contribute to addressing the shortages of health workers.
- Member States with already developed infrastructure and tools have been able to scale up the delivery of telemedicine more quickly, but during the pandemic all Member States introduced digital solutions to ensure the continued provision of medical service. A number of Member States reported an increased level of acceptance from patients and medical professionals alike.
- At the same time, innovation in the provision of healthcare services may pose a threat of increasing the digital divide related to limited digital skills and IT access issues. This could have a negative impact on social groups with disadvantaged socio-economic status, or on people in areas with less developed digital infrastructure. Such groups need to be provided with additional information and support to ensure they are not left behind. A blended approach, with a mix of digital and physical provision of health services, may need to be maintained to promote access to quality healthcare for all.
- The delegates also agreed that there is a need for additional evidence about the effectiveness of telemedicine. This, combined with the potential threat of increasing the digital divide may

require additional policy actions focused on quality, accessibility and efficiency, alongside with efforts to minimize the risks of widening health inequalities through digital exclusion.

- Member States emphasized their intention to continue developing e-health solutions in a long-term sustainable manner. To that end, efforts to define the appropriate legal and financial framework are underway in several Member States. A number of interventions emphasized the need for sustained investments in the implementation and maintenance of IT infrastructure and equipment, including in cybersecurity and training of personnel.

4) Thematic Discussion on Long-term care in the context of the 2022 SPC Multilateral Implementation Reviews

1. Background

The care sector was hit hard by the COVID-19 pandemic, with difficulties in ensuring continuity of care affecting the well-being of care recipients and care providers alike. While the pandemic has put the Member States' long-term care (LTC) systems under unprecedented stress, many of the weaknesses in the sector (for example related to access to and affordability of care, quality of care and the care workforce) were structural and existed before the outbreak of the pandemic. In addition, projections show how population ageing is expected to lead to a strong increase in demand for quality long-term care, while less people of working age will be available to provide and finance such services.

Over the years, a varying number of Member States have been receiving country-specific recommendations (CSRs) in the context of the European Semester. In 2019, there were eight LTC-related CSRs, focusing on sustainability, cost-effectiveness, access, affordability, quality and female labour participation. In 2020, given the extraordinary circumstances, the CSRs were streamlined and three Member States received such CSRs, while some relevant aspects were reflected in the recitals. In 2021, given the comprehensive and forward-looking policy nature of the recovery and resilience plans⁵, no (non-fiscal) CSRs were proposed.

In this context, reform implementation in the area of long-term care continues to be monitored by the **Social Protection Committee** by means of a thematic discussion, as well as by country-specific reviews of the past CSRs, where relevant.

The thematic discussion on *long-term care* took place on 25 February. At the meeting, the Member States engaged in an exchange around two steering questions focused on social protection for and

⁵ Fifteen of the twenty two Recovery and Resilience Plans, adopted at the time when this review was organised included long-term care related measures.

quality of LTC. The scene for the exchange was set by presentations from the European Commission and relevant case studies from Spain, Slovenia and Germany. The exchange was moderated by Stefania ILINCA, researcher at the *European Centre for Social Welfare Policy and Research*.

2. Outcome of the discussion

The first set of interventions focused on the question of *social protection systems ensuring that everyone in need has access to long-term care, also taking into consideration regional disparities in the provision of care*. The presented case studies were from Spain and Slovenia.

- The exchange clearly demonstrated the significant differences in the supply and organisation of long-term care, the corresponding social protection systems and public expenditure levels across the Member States. At the same, the interventions confirmed that - against the backdrop of population ageing - Member States are facing common challenges in relation to long-term care.
- In many of the intervening Member States the sector is characterised by horizontal (health and social care) and vertical (national, regional and local) fragmentation, whereby the responsibility for provision, funding, quality assurance and regulation is divided between multiple actors. As a result, differences in the criteria for entitlement to long-term care, the needs assessment, the depth of social protection and the services and benefits offered may exist at national and regional levels leading to disparities in the provision of care.
- The discussion also confirmed that social protection coverage for long-term care needs varies considerably across the Member States and even when available, it is in some cases insufficient to ensure that people in need of care are not pushed into poverty. For example, out-of-pocket costs for homecare can be extremely high for older people with severe care needs, or for older people with low incomes, even if they have only moderate care needs. In many cases, the high financial burden is an obstacle to accessing formal care, which results in either unmet care needs, or forcing persons in need to arrange care informally. This, in turn, comes with significant financial and non-financial costs for the informal carers in both the short and long run.
- The exchange also provided evidence for the diverse sets of measures being implemented to address the challenges described. Some Member States are strengthening the role and recognition of long-term care as part of their social protection systems. Several are also reviewing and streamlining eligibility criteria, needs assessment processes and pathways to access care, in order to ensure that all in need have access to care in a timely and equitable manner.

- In some cases, efforts are also being made to increase the allocation of financial resources for the LTC systems. Such efforts include measures to reduce the financial burden on care users, to increase investment in infrastructure and the formal care workforce and to promote innovation. At the same time, the Member States recognized the need to ensure that the available resources are deployed in the most effective manner both in terms of facilitating access to care and promoting care system sustainability.
- Workforce challenges are also being addressed, with some Member States taking measures to reinforce formal care services and provide support to informal carers. Relevant support measures include counselling and training, the provision of care benefits, health insurance coverage, improved remuneration, or the provision of pension credits for care periods.
- The delegates also discussed the importance of reorienting care models from a purely medical view to a person-centred perspective. This entails integrated delivery of services focused on personal needs, while respecting individual choices, ensuring continuity of care, and supporting independent living in all care settings.

The second part of the meeting was dedicated to *reflections on ensuring and measuring the quality of care in various settings*. The presented case study was from Germany.

- The discussion illustrated how the degree of development of quality assurance mechanisms varies significantly between countries, with significant differences in the degree of enforcement and monitoring. Further, while many Member States have a strong set of regulations and standards applicable to residential care, there is more variation when it comes to homecare services.
- The exchange showed that there is a need to elaborate and/or expand quality standards to respond to structural weaknesses revealed by the Covid 19 pandemic, while reflecting the increasing diversity of care services and care settings and care users preferences.
- The importance of strengthening the national stewardship of long-term care systems, while supporting regional and local level authorities and promoting the convergence of service delivery standards and processes was recognized by a number of interventions.
- Many Member States agreed that further efforts are needed to ensure the availability of high quality and timely data. This could aid surveillance efforts, required during health emergencies and support authorities in their efforts to continuously assess service delivery and performance and to be able to respond with corrective, evidence-based interventions.