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**NOTE**

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From: The Social Protection Committee  
To: Permanent Representatives Committee/Council  
Subject: Update on the national plans under the Council Recommendation on  
Access to Social Protection for workers and the self-employed  
*- Presentation by the Chair of the Social Protection Committee*

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Delegations will find attached a note of the Social Protection Committee, which will be the basis of its presentation, with a view to the EPSCO Council on 6 December 2021.



## SPC Thematic Discussion: Council Recommendation on Access to Social Protection for workers and the self-employed

To support the implementation of the 2019 Council Recommendation on Access to social protection for workers and the self-employed<sup>1</sup>, the SPC engaged in a dedicated thematic discussion during its meeting hosted by the Slovenian Presidency on 16 and 17 September 2021.

The basis for the discussion was the preliminary assessment by the European Commission of the national plans setting out the Member States implementation measures under the Recommendation<sup>2</sup>. In two consecutive roundtables, the delegates addressed questions related to closing gaps in formal coverage of the self-employed (Roundtable 1) and explored the potential for further structural reforms, building on the measures introduced during the COVID-19 crisis (Roundtable 2). Presentations from Belgium and the European Commission framed the discussions.

The following conclusions emerged from the exchange:

### Preliminary assessment of the national plans under the Recommendation

- o Access to adequate and effective social protection for all workers and self-employed remains a key policy objective at EU and national levels. At the same time, important gaps – reflecting also the changing world of work– exist or are further developing in social protection systems.

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<sup>1</sup> [Council Recommendation of 8 November 2019 on access to social protection for workers and the self-employed](#)

<sup>2</sup> See Chapter 7 from the 2021 SPC Annual Report.

- o Such gaps put at risk the welfare and health of individuals and contribute to increasing economic uncertainty and higher risk of poverty, social exclusion and inequality. They can lead to suboptimal investment in human capital, reduced trust in institutions and limit inclusive economic growth. The financial sustainability of social protection systems also depends on the number of people participating in them.
- o The 2019 Council recommendation provides an important reference framework for addressing existing gaps and preparing the Member States social protection systems for future challenges, thus contributing to the implementation of the European Pillar of Social Rights (principle 12).
- o Member States took a strong political commitment in that direction. The importance of the Recommendation in building momentum and finding consensus among the different stakeholders for introducing changes to the long-established national social protection systems was acknowledged.
- o The Member States' national plans - setting out implementation measures, based on sound analysis of existing gaps and avenues for addressing these - are a concrete way to materialize this commitment into actions and reforms at national level.
- o The preliminary analysis of the plans by the European Commission, included in the 2021 SPC Annual Report indicated that the level of ambition varies significantly among the plans already submitted<sup>3</sup>, reflecting also different national circumstances and preferences. In that context:
- o A large number of the measures included in the national plans focus on closing gaps in formal coverage as well as improving the adequacy of social protection, notably old-age, unemployment and sickness benefits.

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<sup>3</sup> Between mid-May and mid-September 24 Member State have submitted their plans, with 3 more indicating that their submission is imminent.

- o The other key areas of the Recommendation such as the rules governing entitlement and contributions; preservation, accumulation and/or transferability of entitlements; or improving transparency and simplification of administrative requirements are being addressed to a lesser extent, but some positive examples have been shared under each of these dimensions.
- o Even when fully implementing the proposed measures or stated policy objectives, gaps are likely to remain.
- o A new series of mutual learning seminars, focused on key issues emerging from the analysis of the national action plans would be welcome.
- o The importance of monitoring the impact of the planned measures has been highlighted. In that sense, work on the monitoring framework under the Recommendation should continue in the SPC ISG.

### **Roundtable 1: Closing gaps in formal coverage of the self-employed**

While acknowledging the challenges in ensuring access to effective and adequate social protection for workers in non-standard forms of employment, this roundtable addressed specifically the situation of self-employed who continue to face gaps in formal coverage as they: i) do not have access in a number of countries in particular to unemployment benefits and benefits in respect of accidents at work and occupational diseases; or, ii) have voluntary access but with a limited take up, notably for old-age benefits, sickness and invalidity.

- o A number of Member States have closed such gaps in recent years or announced new measures in the context of their national plans. This relates notably to including self-employed in unemployment insurance schemes, or establishing or extending access to sickness benefits, notably related to exceptional support measures provided to the self-employed during the COVID-19 pandemic.
- o However, providing coverage for certain social protection branches for self-employed (notably related to accidents at work and occupation diseases) remains a policy challenge for a number of Member States.

- o Some of the highlighted issues in this context relate to finding the right balance between compulsory or voluntary participation in the social security scheme; properly identifying the income of the self-employed; as well as setting the right level of contribution, while avoiding that these measures act as a barrier to entrepreneurship. The national circumstances and preferences of the self-employed are also to be taken into account. In that sense, some delegates mentioned that active promotion of different insurance possibilities is needed to improve take-up in the case of voluntary schemes.
- o Additional in-depth exchanges and mutual learning events at EU level will be beneficial in defining ways to address these challenges.

**Roundtable 2: Scope for further structural reforms to address gaps, building on the response to the crisis, caused by COVID-19**

While social protection systems have been the main stabilisation factor<sup>4</sup> for household incomes and for supporting continued access to social services during the crisis, the COVID-19 pandemic served to expose existing gaps and emphasized the need for further structural reforms in social protection systems across the EU.

- o Overall, a large part of the measures taken in the context of the COVID pandemic were by default emergency measures, tailored to very specific circumstances and designed to be of a limited duration. In that sense, many of the measures are temporary and will be gradually phased-out. But the crisis also exposed some deeper structural gaps, which in some countries triggered structural reforms.
- o Temporary anti-crisis measures reported in the plans relate notably to relaxation of the rules, extension of the duration and/or increase in the amounts of (e.g. unemployment and sickness) benefits, as well as specific support to some groups in terms of status (work with precarious contracts, self-employed) or sector/occupation (workers in cultural sector, healthcare workers, domestic workers, etc.).

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<sup>4</sup> See key messages and analysis in the 2021 SPC Annual Report.

- o Some Member States have built on these temporary measures and introduced more permanent measures and reforms. For instance: structural changes to unemployment insurance systems have been made or proposed; access to other social security branches such as healthcare or accidents insurance for different categories of employees has been improved; useful job retention schemes (such as short-time work schemes) have been introduced or extended, whilst ensuring that those taking part are not penalised in terms of social security entitlements.
  - o There is still scope for further reforms to address the various areas covered by the Council Recommendation in an integrated way and going beyond the measures currently outlined in the plans. Efforts to implement the Recommendation should go hand in hand with broader policy reforms at national levels, including for those Member States that have launched long-term reflections how to adapt their social protection systems. In that sense, the lessons learned during the pandemic will be very useful in designing permanent measures.
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