



issa

EXCELLENCE IN SOCIAL SECURITY

# **Social security developments and trends – Europe 2024**

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# **Social security developments and trends – Europe 2024**

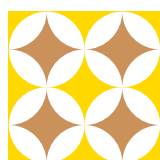


# Contents



## Introduction

2



## Reforms

5

Introduction

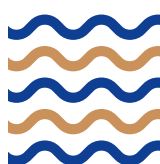
6

Synthesis of the main trends and developments

7

Key messages

20



## Management

23

Introduction

24

Synthesis of the main trends and developments

25

Facts & trends

34

Key messages

37



## Coverage

41

Introduction

42

Synthesis of the main trends and developments

43

Facts & trends

50

Key messages

54



## Life course

57

Introduction

58

Synthesis of the main trends and developments

59

Facts & trends

66

Key messages

76



## Resilience

79

Introduction

80

Synthesis of the main trends and developments

81

Facts & trends

87

Key messages

92



## Bibliography

94



## Acknowledgements

97

# Introduction

Europe has historically been home to some of the most advanced social security systems in the world. Many countries in the region provide comprehensive, adequate protection against common life cycle and labour market risks for the vast majority of the population. Widespread protection of individuals over the life course enables social security systems to play a key role in ensuring economic and social stability in the face of large-scale shocks. Despite these broad protections, notable gaps remain, especially for migrants, women, self-employed workers, and people engaged in digital platform work and other new forms of employment. If left unaddressed, these gaps could increase the vulnerability of impacted population groups and threaten the long-term sustainability of social security systems.

Demographic ageing continues to present a central challenge to social security systems around the region, prompting governments to initiate or intensify their efforts to reform old-age pension systems. Increased longevity and higher dependency ratios will result in a drastic shrinking of the labour force and dramatic pressures on public budgets. Pension, disability, and health systems, including long-term care, will be particularly impacted and require decisive action. To preserve the long-term sustainability and adequacy of pension systems, for example, governments are raising retirement ages and encouraging longer careers. Doing so reinforces revenues but may also result in unintended socioeconomic consequences for affected groups. For this reason, many governments are implementing policies to mitigate the impacts of reforms while also ensuring their public acceptance, which is critical to ensuring long-term public trust in social security systems.

Changes to the world of work and family dynamics compound the demographic challenges facing European social security systems. Debates and decisions in the European Union (EU) affecting work-life balance, social protection for self-employed workers, and platform work are both provoking and reacting to policy changes at the national level and will continue to have ripple effects outside the EU. The rise in digital platform work, for example, has raised fundamental questions about traditional financing arrangements for social security while also drawing attention to historical gaps in coverage of self-employed workers, notably for unemployment, sickness and work injury benefits. At the same time, reforms in several countries around the region have enhanced cash, care and paid leave policies, with the aim of reducing poverty and inequality while promoting a more balanced distribution of care responsibilities.

In addition, the rise of new technologies has presented both challenges and opportunities for social security systems in Europe. Technological advancements have contributed to more flexible ways of working, such as through digital platforms, but have also resulted in greater career instability, income volatility and downward pressure on wages. Social security institutions are adapting by leveraging technology to better serve the emerging needs of their populations. For example, the trend toward greater digitalization of services has continued, with a focus on adapting services to customer needs to ensure that people can access the benefits to which they are entitled. Social security institutions are also increasingly making use of artificial intelligence-based solutions to improve processes and address long-standing challenges, such as low takeup of benefits, streamlining of claims processing, risk assessment and forecasting.

Finally, a confluence of large-scale shocks has created new economic and social risks that require urgent attention and strain the resources of governments and social security institutions. Just as the impacts of the COVID-19 pandemic were abating, new crises have emerged. Armed conflicts and other geopolitical events have impacted on global prices and migratory flows and in some cases

have led to acute humanitarian crises. In many countries, social security institutions have been at the centre of efforts to ensure that refugees can access necessary benefits and services, and that the social security rights of migrants are both transparent and enforced. Europe, like other parts of the world, is also impacted by climate change and natural disasters, which have increased in intensity and severity. For social security systems, responding effectively requires both immediate attention to the needs of affected populations as well as the proactive pursuit of sustainable solutions, including by supporting green transitions and socially and economically responsible investments.

Social security systems across Europe are confronting these multiple challenges through a combination of conventional and innovative tools. Their long-term resilience depends on finding ways to ensure that solutions to address both the long-term financial prospects, and the near-term concerns with coverage, adequacy and effective delivery, are mutually reinforcing.

*Social security developments and trends – Europe 2024*, comprises the following chapters:



Chapter 1. Highlights of legal reforms



Chapter 2. Transforming social security management



Chapter 3. Social security coverage for all

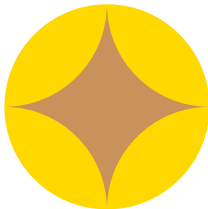
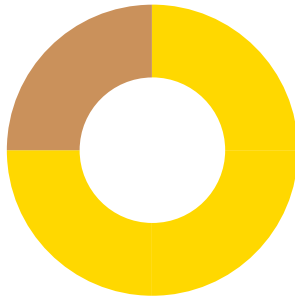
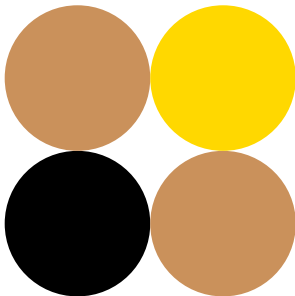
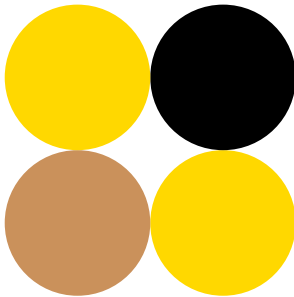
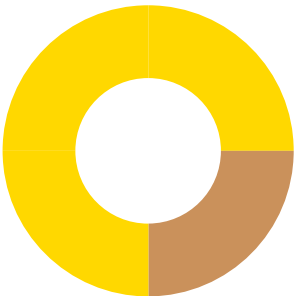
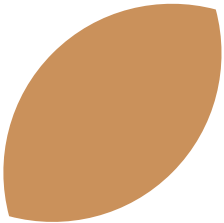
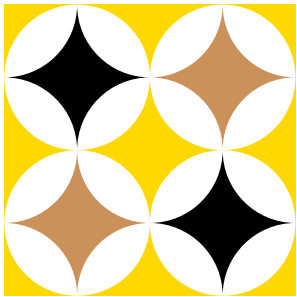


Chapter 4. Protecting and supporting people during a changing life course



Chapter 5. Promoting resilience and sustainability in uncertain times

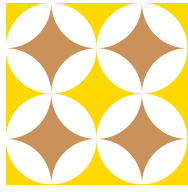
This is one of four regional reports during the 2023–2025 triennium presenting a regional perspective on social security developments and trends as well as identifying challenges and spotlighting innovations. They will be followed by a global report for the World Social Security Forum 2025. The reports are presented in an interactive web-based format that will enable members of the International Social Security Association (ISSA) to navigate the content with ease and facilitate knowledge sharing, in addition to a supporting PDF-version.





# Reforms

Highlights of legal reforms



# Highlights of legal reforms

## Introduction

In recent years, national social security reforms in Europe have been driven by the need for sustainable and adaptable social security systems that respond to shifting demographics and socioeconomic realities across the region.

The majority of recent social security reforms in Europe have focused on old-age pensions, in line with challenges related to population ageing and higher dependency ratios. These reforms fall into two broad groups. First, policy makers have sought to ensure the long-term financial sustainability and adequacy of pension systems. To achieve this, some countries have raised the pensionable age and introduced incentives for deferred retirement, while others have sought to reshape their second pillar pension schemes to adapt to the evolving nature of employment and enhance income security in old age. Second, new policies have expanded access to pension benefits. Some reforms have introduced new possibilities for credited or purchasable contributions. Other initiatives have created new early pension options, often aimed at long-career workers, women, or the unemployed who meet certain contribution requirements.

Reforms to other branches of social security have sought to strengthen accessibility and the coverage of benefits. For example, some

countries have introduced new measures to extend coverage and improve access to medical, mental health, and long-term care services, to ensure better support for vulnerable individuals and their caregivers. Others have implemented administrative reforms to promote affordability and the quality of basic health services. Several countries have also introduced legislative changes to parental benefits. In line with the European Union (EU) Directive on Work-Life Balance, these reforms aim to reduce gendered care imbalances, which often lead to women's underrepresentation in the labour force. New policies include paid paternity leave and initiatives to promote shared parental responsibility. Reforms to bolster minimum income protection and to introduce or increase child benefits have also sought to reduce poverty and inequality, as well as reduce the financial burden on families.

Finally, governments are increasingly adopting policies to adapt to the evolving landscape of work and address the challenges faced by self-employed workers and workers in new forms of employment. Accordingly, several countries in the region have implemented reforms to adjust contribution and taxation systems, alongside efforts to improve employment regulations in the platform economy.



# Synthesis of the main trends and developments

## Pension reforms

### *System-wide pension reforms*

During the last three years, Belgium, France, and Ireland have begun to implement comprehensive pension reforms aimed at addressing the challenges posed by changing demographics and to ensure the long-term sustainability of their pension systems.

In 2023, France significantly reformed its pension system. The reform increased the pensionable age and the minimum contribution period for a full pension, which will now reach 43 years in 2027 (previously scheduled for 2035). The reform also increased the minimum monthly contributory pension to 85 per cent of the net legal monthly minimum wage, introduced a pension supplement for qualifying parents of up to 5 per cent, and began phasing out most special systems covering public-sector workers.

Building on earlier efforts at structural reform, in 2023, Belgium reached an agreement for a broad overhaul of its pension system. While legislation to implement certain components of the reform is still underway, the agreed package

includes: i) a gradual increase in the guaranteed minimum pension; ii) an increase of the number of years of effective work required to receive a minimum pension (including paid work and time spent in temporary unemployment, maternity or paternity leave, and certain caregiving); iii) the introduction of a bonus for long-career workers; iv) changes to credited contribution periods; v) a planned increase to the solidarity contribution rate; and vi) changes to the duration and amount of certain survivors' benefits.

In January 2024, Ireland began to implement a major reform to its social insurance State Pension. The changes aim to improve the long-term sustainability of the programme by rewarding deferred retirement with an actuarially adjusted increase up to age 70, increasing contribution rates, and adopting a total contribution approach to pension entitlement (to be implemented in 2025). Beyond efforts to improve sustainability, the reform package also credits contributions to individuals who leave the labour force to provide long-term care.

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- Article. Réforme des retraites: ce qui change à partir du 1<sup>er</sup> septembre 2023
- Article. France enacts pension reform law
- Article. The 2023 France pension reform
- Article. Réforme des pensions 2021-2024
- Article. Belgium announces pension reform agreement
- Article. Changes to the State Pension (Contributory)
- Article. Minister Humphreys secures Cabinet approval for major Social Welfare reforms



## *Reforms to second pillar pensions*

Several countries, including Georgia, Greece, Monaco, the Netherlands, Slovakia and Türkiye, have undertaken reforms to their second pillar contributory pensions that complement mandatory social insurance and non-contributory pension benefits.

In 2023, Georgia implemented a 2018 law increasing the flexibility of its mandatory individual account programme. Covered individuals may now choose the risk portfolio of their investments (low, medium or high), or may opt for a default option where the risk portfolio will be adjusted by age, with risk declining as retirement approaches. Covered individuals may change portfolios once every 12 months. The reform aims to increase individuals' investment returns by encouraging higher risk (and higher return) portfolios.

In 2022, Greece replaced its previous mandatory notional defined contribution (NDC) programme with a new mandatory individual account programme for those who first joined the workforce on or after 1 January 2022. The reform aims to address sustainability concerns with the previous system and to increase retirement savings among the working-age population.

Monaco introduced a new mandatory occupational pension programme for private-sector employees beginning on 1 January 2024. Previously, all private-sector employees were covered by France's main occupational pension programme through bilateral agreement; the new programme therefore provides the country with more flexibility in setting its social security and employment policies. Pension entitlements accrued for periods of previous employment in Monaco will be transferred to the new programme, which applies a defined benefit points system.

In 2023, the Netherlands began to gradually transition its quasi-mandatory occupational pension system from a defined benefit to a defined contribution model. During the transition period, which will last until 2028, employers and employees must agree on how to adjust their pension schemes to meet the new requirements. The reform, which has the agreement of social partners in the Netherlands, seeks to adapt the occupational pension system to reflect the changing nature of employment, in which individuals may work for many employers over the course of their careers.

As part of the wider reform to the pension system in Slovakia, individuals aged 40 or younger who enter the workforce for the first time after 30 April 2023, are automatically enrolled in the country's individual account programme, with the ability to opt out within two years of joining. The programme was previously limited to workers younger than age 35, and required opting in, a decision which could not be reversed. The changes aim to boost supplemental retirement savings among covered workers.

In Türkiye, starting in January 2022, employees aged 45+ may register for the Automatic Enrolment System, a component of the second pillar Private Pension System. Previously, the programme was open only to employees younger than age 45, who were enrolled automatically with the ability to opt out within two months of joining. Additional reforms to the Private Pension System included increasing the government's matching contribution rate and allowing pre-retirement withdrawals under certain circumstances.



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- Article. [From August 6, citizens will have the right to choose a portfolio when investing their pension savings] (in Georgian)
- Website. Hellenic Auxiliary Pensions Defined Contributions Fund website
- Article. Greece approves new mandatory individual account program
- Website. La Caisse Monégasque de Retraite Complémentaire (CMRC) : Comprendre l'essentiel
- Article. Monaco approves creation of mandatory occupational pension program
- Article. [Transition to the new pension system starts on July 1, 2023] (in Dutch)
- Website. Old-age pension scheme (second pillar)
- Article. Slovakia reforms three-pillar pension system
- Website. [Pension Monitoring Center website] (in Turkish)
- Article. Turkey approves changes to the private pension system



## Reforms to increase pensionable ages

Increasing life expectancy and concerns around the sustainability of pension systems have led to reforms in France, Israel, Sweden, and Switzerland to increase the minimum pensionable age, encouraging longer working lives.

As part of the comprehensive pension system reform passed in 2023, the pensionable age in France will incrementally increase by three months every year until reaching age 64 in 2030. The early pensionable age for workers with long careers has also been adjusted, providing insured persons with the option to claim pension benefits at ages 58, 60, 62, or 63, depending on when they entered the work force (contribution requirements apply). Previously, workers with long careers could claim pension benefits at age 58 if they began working before reaching age 16, or at age 60 if they began working before age 20.

Israel passed legislation in 2022 increasing the standard pensionable age for women born in 1960 or after. Under the reform, the pensionable age will increase from age 62 to age 65, gradually rising by 4 months a year from 2022 to 2024, and thereafter by 3 months a year until 2032.

Unemployed women born between 1960 and 1966 who pass a means test may be eligible for a transition grant to offset the impact of the increase.

In 2022, Sweden increased the minimum pensionable age for its NDC and mandatory individual account systems from age 62 to age 63, while the minimum pensionable age for the non-contributory guarantee pension and supplemental benefits (including the contributory pension supplement, housing allowance, and means-tested old-age income support) increased from age 65 to age 66. The reform also increased the age at which employees lose the right to remain employed, from age 68 to age 69. There is no maximum pensionable age.

Also in 2022, Switzerland approved the gradual increase in the standard pensionable age for women from age 64 to age 65, matching the standard pensionable age for men. Under the reform, the pensionable age for women will increase by three months a year starting in 2025, until reaching age 65 in 2028.

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- Article. *France enacts pension reform law*
- Website. *Retirement age raise for women*
- Website. *Transition grant for women aged 62 due to retirement age raise*
- Article. *[Retirement age for year 2029 decided] (in Swedish)*
- Article. *Sweden implements retirement age changes*
- Article. *Stabilisation de l'AVS (AVS 21)*
- Article. *Switzerland approves women's retirement age increase*



## *Incentives for deferred retirement and continued labour force participation*

As average life expectancy increases in Europe, Austria, Belgium, Croatia, Denmark, and Ireland have implemented reforms aimed at encouraging continued labour force participation.

Croatia and Ireland designed provisions to incentivize deferred retirement. In Croatia, the social insurance pension will be adjusted by 0.45 per cent for each month of deferral, up from the previous 0.34 per cent, and will be subject to a maximum increase of 27 per cent. An incentive was also introduced to encourage individuals eligible for early long-career pensions to defer retirement, increasing pension benefits by 0.15 per cent for each month of deferral, up to a maximum of 9 per cent. In Ireland, the contributory State Pension amount was increased for individuals who defer claiming their pension after age 66, the standard pensionable age. For each year of deferral up to age 70, the pension amount is actuarially increased, up to a maximum amount.

Elsewhere, policy makers have sought to discourage early retirement and to relax restrictions on continued employment. In 2022, Austria re-established a penalty for claiming an early social insurance pension, reducing pensions by 4.2 per cent for each year they are claimed before age 65, the standard pensionable age. The country also introduced an Early Starter Bonus (*Frühstarterbonus*) for pensioners who began contributing at early ages. In Belgium, the 2023 pension reform agreement plans to re-establish a pension bonus, which when implemented will reward people who continue working after the early retirement age. To encourage continued employment, as of January 2024, Denmark no longer considers the earned income of pensioners and their spouses or cohabitating partners when calculating the state pension, removing the ceiling on how much pensioners can earn from employment while receiving pension benefits.

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- Article. Denmark eliminates earned income offsets
- Website. [National pension] (in Danish)



## Reforms creating early pensions

Over the past three years, a number of countries in Europe have introduced new early pensions, offering certain people the flexibility to claim pension benefits before reaching the standard pensionable age.

Denmark and Slovakia have introduced early pensions for workers with long careers, who tend to work in lower-skilled occupations and in more physically demanding jobs.

In Denmark, eligibility for the new early pension is determined based on a person's number of years of employment between ages 16–61. Beginning in 2022, workers with 42, 43, or 44 years of employment during this period may respectively claim pension benefits two, three, or four years before age 67, the standard pensionable age.

In Slovakia, as part of the wider reform to the pension system implemented in 2023, people are eligible for an early social insurance pension at any age as long as they have at least 40 years of coverage and their monthly benefit would be at least 1.6 times the legal monthly subsistence minimum.

Elsewhere, early pension reforms target specific demographic groups.

For example, in 2021, Ireland introduced a new early pension benefit, allowing unemployed residents who meet certain contribution requirements to retire at age 65, one year before the standard pensionable age for all State Pensions (contributory and non-contributory). The early pension benefit mirrors Ireland's social insurance unemployment benefit (Jobseeker Benefit) but requires that individuals cease employment or self-employment.

In addition to gradually harmonizing retirement ages for men and women, in 2022, Switzerland introduced special early retirement rules for women born between 1961 and 1969. These women will be eligible to claim an early pension from age 62 (two years before the standard pensionable age) and will face smaller early retirement penalties.

Finally, in 2023, Türkiye eliminated the minimum retirement age for certain individuals, effectively creating a new early pension option. Under the reform, individuals who first enrolled in the country's social insurance programme on or before 8 September 1999, may claim a pension at any age if they have at least 25 years (men) or 20 years (women) of coverage and meet certain contribution requirements.

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- Article. Slovakia reforms retirement pensions
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- Article. Ireland approves state pension reform package
- Website. Benefit payment for 65 year olds
- Article. Switzerland approves women's retirement age increase
- Article. Stabilisation de l'AVS (AVS 21)
- Article. Turkey eliminates minimum retirement age for certain individuals
- Government website. [Employees with 4/A Service Contract] (in Turkish)





## *Reforms to introduce credited and/or purchasable contributions*

To expand access to contributory pensions, Albania, Belgium, Ireland and Ukraine have created or expanded the possibility for contributions to be credited or purchased.

In Albania, unemployed mothers with three children or more will now receive credited contributions for both the health and social insurance systems. To qualify, household income must be less than 100,000 lek (ALL) a month (2.5 times the national monthly minimum wage), and one child must be age five or younger. By recognizing time mothers spend providing unpaid care to children as working years, the reform seeks to increase coverage of contributory pensions.

Belgium and Ireland have also taken steps to credit contributions for carers. In Belgium, before 2003, home-based childcare providers did not pay social insurance contributions. This limited access to a guaranteed minimum pension, which requires 30 years of contributions. As of 2023, contributions are proportionately credited

for home-based childcare providers who have reached or will reach pensionable age between 1 January 2023 and 2 January 2033, based on the number of years worked between 2003 and 2022. For example, a care provider who worked for 20 years during this period would be credited an additional 25 years of contributions, the equivalent of a full career. In Ireland, as of 2023, people who leave the labour force to provide long-term care will be credited contributions to the State Pension. To qualify, people must be at least age 16, provide full-time care, and live in the same household as the individual for whom care is provided.

In Ukraine, beginning in 2023, citizens can purchase contributions for future social insurance pensions. Qualifying groups include those working abroad, those who will not reach the minimum contribution period for a pension before reaching the standard pensionable age, and those with low income aiming to increase their future entitlement.

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- Article. This is what unemployed mothers who raise 3 or more children benefit
- Website. Pension minimum garantie salarié – nouvelles conditions à partir du 01.01.2025 (proposition)
- Website. Long-term carers contribution periods
- Legislation. [Decree on the approval of the Model Agreement on voluntary payment of insurance premiums for mandatory state pension insurance and the procedure for concluding it] (in Ukrainian)



## Reforms to health and long-term care

### *Reforms to the coverage and administration of health care benefits and services*

Over the past three years, policy makers in Europe have sought to improve the coverage, quality, and affordability of health care services.

In Ireland and Romania, reforms extend access to free health care services to persons previously uncovered.

In 2023, Ireland expanded eligibility for its “GP Visit Card” programme, which provides universal and means-tested access to free primary health care. The reform extended universal benefits – previously limited to children younger than age 6 and adults aged 70+ – to all children younger than age 8 (the age requirement for older persons remains unchanged). It also relaxed the means test for individuals in all other age groups, who are now eligible for coverage provided their net weekly income is below the national median income.

In January 2024, Romania launched a new system to extend social protection and health care coverage to domestic workers. Under the new initiative, domestic workers receive payment from their employers in the form of vouchers issued by

the National Agency for Employment. Workers then redeem the vouchers for cash and pay taxes and social insurance pension contributions on 50 per cent of their income. To incentivize participation, workers who redeem a minimum number of service vouchers per month receive health insurance coverage providing free access to a basic package of health services.

In Croatia and Finland, administrative reforms have sought to improve affordability and quality through the consolidation of basic health services. In 2023, Croatia transferred ownership of general hospitals from local to centralized state authorities and introduced a unified public procurement process. As part of its largest-ever reform to the organization of its social services and health care system, in 2023, Finland transferred the administration of social and health care services from 332 municipalities and joint municipal authorities to 21 new welfare counties, plus the City of Helsinki. The new system aims to enlarge risk and financial pools and to standardize the delivery of services across the country.

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- Article. [Parliament accepted laws on health care and mandatory health insurance] (in Croatian)
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- Article. Government announces details of the commencement of the provision of GP visit cards to over 500,000 more people
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- Publication. Romania launches a system of service vouchers to bring domestic workers into the formal economy



## Increasing access to mental health and long-term care services

Austria, Belgium, Germany, and Slovakia have implemented reforms to increase access to, and the adequacy of, mental health and long-term care services.

In Austria, the amount of the care allowance (*Pflegegeld*) paid to those with severe psychological disabilities and dementia was increased in 2022 to cover an additional 20 hours of care per month. A means-tested care bonus (*Angehörigenbonus*) was also introduced for care givers with monthly income below 1,500 euros (EUR) a month. The bonus is paid to certain people who have left employment to attend to a family member who requires full-time care (of more than 160 hours of care per month).

In Belgium, beginning in 2022, psychological care covered by compulsory health insurance may now be provided in a wider range of settings, allowing patients more flexibility in choosing treatment environments. Under the reform, local mental health networks provide services to facilitate access to psychological care.

In Germany, as part of a 2023 reform to the long-term care system, cash and in-kind benefit amounts for home and ambulatory care were each increased by 5 per cent and will be automatically adjusted in line with prices in 2025 and 2028. In addition, the duration of the Support Allowance (*Pflegeunterstützungsgeld*), which is paid to people who must be absent from work to care for a relative, was extended to up to 10 days per calendar year.

In Slovakia, a new care benefit was introduced in 2021, allowing those caring for a sick relative to receive social insurance benefits through the existing sickness insurance programme. Carers are now eligible to receive up to 90 days of cash benefits to cover 55 per cent of lost wages while providing home or palliative care.

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- Article. Belgium puts spotlight on mental health reform
- Article. Mehr Leistungen und stabile Finanzen
- Legislation. [461/2003 Z. z. Temporary version of the regulation effective from 01.01.2024 to 30.06.2024] – Article 39 (in Slovak)



## Reforms to parental benefits

In recent years, several European countries have introduced or extended benefits for parents following the birth or adoption of a child. In particular, the 2019 EU Work-life Balance Directive, which aims to improve access to family leave and flexible work arrangements, has contributed to policy changes in Belgium, Croatia, Denmark, Finland, Germany, Hungary, Malta and Slovakia.

Croatia, Germany, and Slovakia introduced new paid paternity leave benefits. In Croatia, beginning in 2023, employed and self-employed fathers covered by the compulsory health insurance programme receive 10 days of paid leave (15 days in cases of multiple births), which must be taken within the first 6 months after birth. In 2024, Germany plans to launch a new benefit for fathers and co-mothers (a birth mother's same-sex partner), who will receive 2 weeks of paid leave following the birth of the child in addition to the country's existing parental leave entitlement (which is shared between parents). In Slovakia, as of 2022, fathers with at least

270 days of health insurance coverage over the previous two years receive 14 days of paid leave in the first 6 weeks after birth.

In addition to reforms that created new benefits, Belgium increased its existing paid paternity leave from 15 days to 20 days (2023), Hungary increased its entitlement from 5 days to 10 days (2023), and Malta expanded the duration of its statutory paternity leave from 2 days to 10 days (2023).

Denmark and Finland both introduced reforms in 2022 to encourage parents to share parental leave and care responsibilities more equally. In Denmark, each parent is entitled to 24 weeks of paid leave following the birth of a child, of which 13 weeks are transferable. The reform also expands leave transfer rights for single parents and LGBT+ families. In Finland, both parents receive 160 parental allowance days, of which 63 may be transferred to the other parent or guardian, while single parents may use the combined total of 320 days.

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- Article. Family leave reform enters into force in August 2022
- Article. Reform encourages both parents to take family leave
- Website. [Promulgation of the Act on the right to leave and unemployment benefit in case of maternity (Maternity Act)] (in Danish)
- Legislation. Maternity and parental leave
- Article. Denmark: Family leave reform



## Reforms to family, household, and minimum income benefits

### *Reforms to strengthen minimum income protection*

Denmark, Germany, and Spain have moved to strengthen minimum protections for vulnerable people and households, notably for the unemployed and for families with low incomes.

In 2023, Denmark introduced several structural changes to its cash assistance system to reduce income inequality and increase labour force participation. The reform abolished the income cap for social assistance benefits, instead introducing an “income ladder approach”, whereby a gradual tapering of benefits ensures there is a financial incentive for cash assistance beneficiaries to find work. A new, simpler benefit rate structure aims to facilitate access to benefits, and the amount of income a person can earn without reduction of social assistance benefits has also increased.

To simplify support for vulnerable people, in 2023, Germany introduced the Citizen’s Allowance (*Bürgergeld*), which provides a guaranteed minimum income to low-income or unemployed people who are able to work. The means-tested benefit combines support that was previously provided through separate unemployment and social benefits.

In 2022, Spain implemented measures to improve the coverage and adequacy of its Minimum Living Income (*Ingreso Mínimo Vital* – IMV) programme, a non-contributory minimum income support programme introduced in 2020 in the context of the COVID-19 pandemic to replace several heterogeneous regional benefits. The recent reform relaxed IMV income limits under certain circumstances, allowing greater flexibility to seek employment while receiving the benefit, while also incorporating a child supplement aimed at reducing child poverty.

### RESOURCES

- Website. Chancen eröffnen, Schutz bieten: Das ist das Bürgergeld
- Article. Escrivá: “En próximas fechas aprobaremos dos medidas para completar el IMV: el sello social y el incentivo al empleo”
- Article. [A simpler Cash Assistance System should help more people into work] (in Danish)
- Article. [New Cash Assistance System] (in Danish)



## New child benefits

Over the past three years, Denmark, Poland, the Russian Federation, Slovakia, and Spain have implemented reforms that seek to reduce child poverty and social exclusion, as well as to reduce the financial burden on pregnant women and families.

In 2023, Denmark introduced a child allowance for parents who are single, retired, in education, or in certain other circumstances, replacing an earlier temporary child allowance. In addition, the reform included an innovative child leisure allowance to provide families with children who are receiving social assistance benefits with a tax-free allowance of 450 Danish kroner (DKK) per child per month to pay for sports, leisure and cultural activities (up to a monthly maximum of DKK 1,350 per family).

In Poland, beginning in 2022, a new universal child benefit is paid to families for a second or subsequent child who must be aged 12 to 36 months (with exceptions in the case of adoption). Families can opt to receive 1,000 zlotys (PLN) for

one year, or PLN 500 for two years. While the new benefit is intended to cover costs related to childcare, it is unconditional.

Spain introduced a new child supplement in 2022 as part of the reform to the Minimum Living Income. Beneficiaries receive EUR 115 a month per child aged 2 or younger, EUR 80.50 a month per child aged 3 to 6, and EUR 57.50 a month per child aged 7 to 17.

Relatedly, the Russian Federation and Slovakia have introduced or strengthened benefits for pregnant women. In 2023, the Russian Federation established a new means-tested social assistance benefit for pregnant women and for citizens with children younger than age 17 and extended pregnancy and childbirth benefits to citizens working under civil law contracts. In 2021, Slovakia introduced a new social insurance benefit for pregnant women covered by sickness insurance to compensate for increased expenses during pregnancy.

## RESOURCES

- Publication. [Children receive a leisure supplement for leisure activities etc.] (in Danish)
- Article. [New Cash Assistance System] (in Danish)
- Publication. Guía sobre el complemento a la infancia del IMV
- Legislation. Ley 19/2021, de 20 de diciembre, por la que se establece el ingreso mínimo vital
- Website. Family Care Capital step by step
- Article. [A universal allowance may be introduced for families with children] (in Russian)
- Article. The Social Fund of Russia will start providing a unified allowance for children and pregnant women from 2023
- Website. [How to apply for pregnancy benefit] (in Slovak)
- Website. Slovakia – Childcare



## Measures impacting the self-employed and workers in new forms of employment

Protecting the self-employed and workers in new forms of work (including in the platform economy) has been a focus for policy makers in Europe. In part driven by EU-level recommendations and directives on social protection for the self-employed and platform workers, reforms across the region are seeking to address affordability and sustainability concerns and to close legal coverage gaps.

Some countries have adjusted the income base used to calculate contributions for these groups. For example, Spain introduced a new contribution system based on net income to streamline contribution payment in line with the system for employees. The reform also introduces special provisions for the newly self-employed, establishing flat-rate contributions for the first year of self-employment. In Finland, contributions from self-employed workers are now calculated from an estimated value of labour output, rather than self-reported income. This estimate is based on the median wage in a particular sector, with some individual flexibility. The reform aims to reduce the under-insurance of self-employed workers, to improve the adequacy of social security benefits.

Similarly, Serbia has moved to simplify its taxation and contribution systems for online freelance

workers. As part of a 2022 reform, freelancers may choose the taxation and contribution model that most appropriately matches their situation and expected income, with accompanying online tools to simplify the declaration and payment process, particularly for digital workers who receive payment in foreign currencies.

Other countries have also undertaken initiatives to improve the affordability of social security for the self-employed by introducing flexibility in income declarations (Portugal) and insurance premium incentives (Türkiye), among other measures.

In addition to social protection reforms, many countries have sought to revise employment classification systems to better reflect the nature of platform work and ensure protection for platform workers. In part spurred by developments at the EU level, such reforms have been implemented or are underway in Belgium, Croatia, Finland, Luxembourg, Malta, the Netherlands, Portugal and Spain. Others have extended existing benefits to these new groups. For instance, Belgium and Greece have extended existing work injury protection to independent workers, while discussion surrounding the extension of social security benefits are underway in Germany and the United Kingdom.

### RESOURCES

- Website. ¿Cuánto se debe cotizar?
- Article. La nueva cuota reducida para nuevos autónomos en 2023, que sustituye a la tarifa plana
- Legislation. [The Government's presentation to Parliament on amending the Entrepreneur's Pension Act and some other acts into laws] (in Finnish)
- Article. Finland reforms the income basis for calculating pension insurance contributions for the self-employed
- Website. [Freelancers] (in Serbian)
- ISSA Article. Platform workers and social security: Recent developments in Europe






## Key messages

# 01




European countries are actively reforming social security systems in response to shifting demographics and socioeconomic realities. The majority of recent social security reforms in Europe have focused on old-age pensions, in line with challenges related to increasing longevity and higher dependency ratios.

# 02



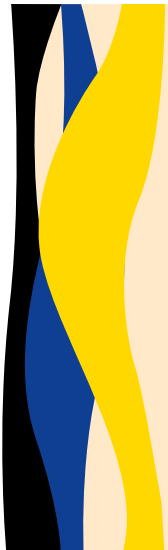
Reforms to old-age pensions fall into two broad groups: i) reforms to ensure the long-term sustainability and adequacy of pension systems; and ii) policies that have expanded access to pension benefits for certain groups, either through new possibilities for credited or purchasable contributions, or new early pension initiatives.

# 03



Reforms to other branches of social security have sought to strengthen accessibility and coverage of benefits. In health care, new measures have extended coverage and improved access to medical, mental health, and long-term care services. Administrative reforms aim to promote affordability and quality of basic health services.

# 04



In line with the EU Directive on Work-Life Balance, several European countries implemented new paternity leave policies and initiatives to promote shared parental responsibility. Reforms have also bolstered minimum income protections and introduced or increased child benefits, with the aim of reducing poverty and inequality.



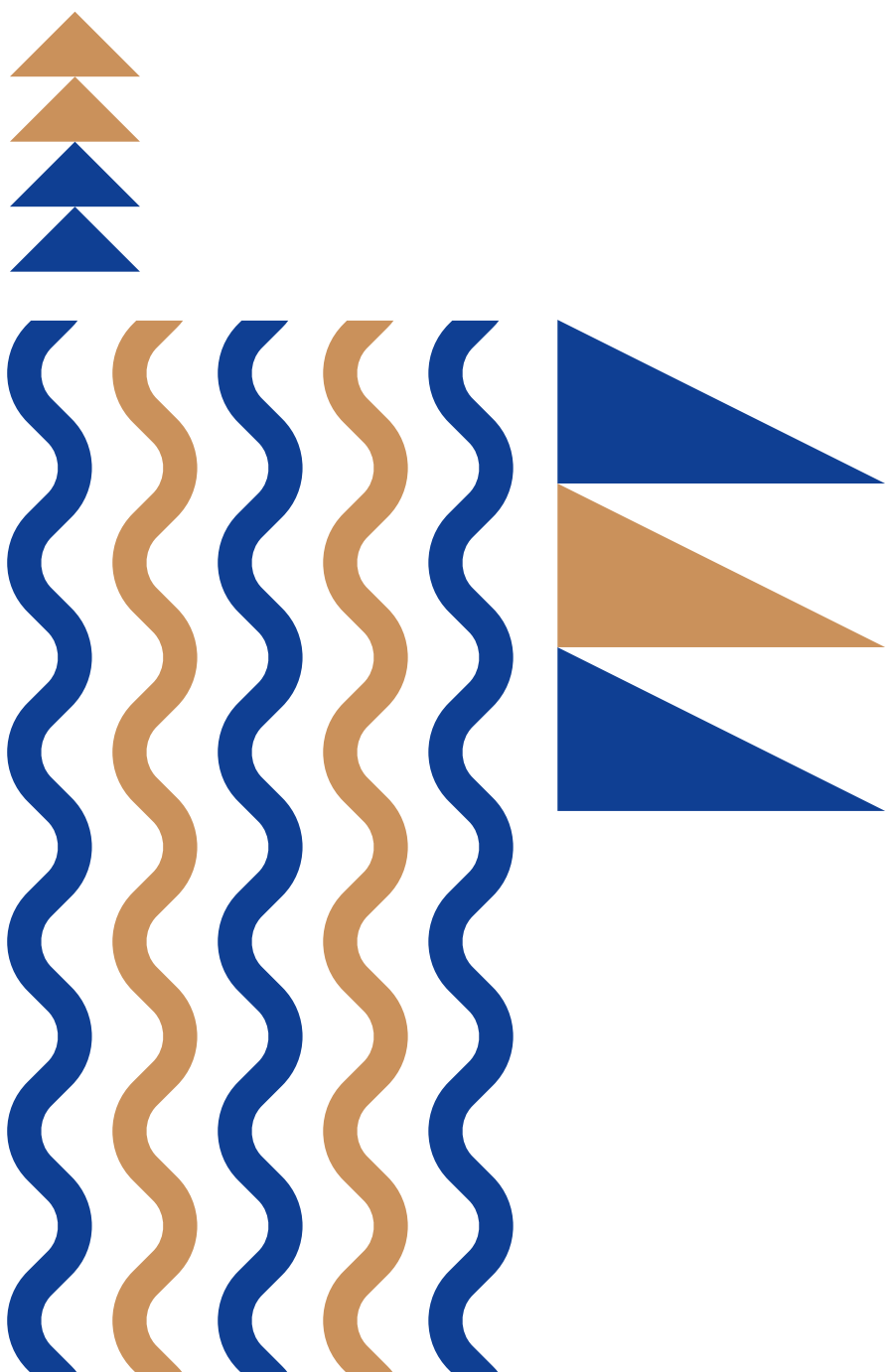


# 05



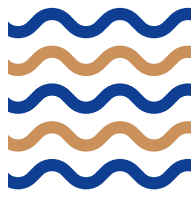
Governments in Europe are increasingly recognizing the evolving landscape of work, addressing issues faced by self-employed workers and workers in new forms of employment. Several countries have implemented reforms adjusting contribution and taxation models, alongside efforts to improve employment regulation in the platform economy.





# Management

Transforming social security management



# Transforming social security management

## Introduction

In the ever-evolving landscape of social security, institutions in Europe are accentuating the digitalization of their organizations and increasingly emphasizing customer-centric approaches and multi-stakeholder engagement. Going beyond efforts to streamline processes and reduce bottlenecks, the new approaches fundamentally re-examine social security services, as institutions increasingly digitize their delivery systems to enhance the quality of services provided to members.

A customer-centric approach to social security system design is enabling institutions across the region to address the needs of their members, prioritizing the user experience to create services that are efficient and tailored to people's needs. Additionally, new approaches leveraging multi-stakeholder engagement ensure a holistic perspective when formulating and implementing these solutions. These efforts continue to drive institutions towards digital inclusion, bridging the gap between demographic groups and ensuring that all citizens and residents, irrespective of their digital literacy, have access to social security benefits.

Across Europe, governance and performance management remain fundamental pillars to ensure strong performance and the robustness of social security systems. At the same time, mechanisms

to monitor performance enhance management while reducing project-related risks. Increasing transparency also provides the basis for greater accountability and stakeholder engagement.

Furthermore, institutions in several countries in the region are blending traditional mechanisms with innovation, leveraging multi-channel communication strategies to reach diverse audiences effectively. In particular, organizations have been embracing innovative communication methods to promote awareness, accessibility, and understanding of social security benefits, fostering a stronger connection between individuals and the systems designed to support them.

Finally, the region is at the forefront of a rich dialogue on the applications and scope of the use of artificial intelligence (AI) tools. By and large, institutions are embracing and implementing AI solutions, marking a transformative leap for institutions to optimize social security operations, enhance decision-making processes and streamline administrative tasks.

Overall, Europe continues to offer a breeding ground for innovative administrative change and improved governance, with a focus on leveraging technology to enhance service delivery with the customer in mind.



# Synthesis of the main trends and developments

## Digitalization to improve service quality

Social security institutions in Europe recognize that technology alone is insufficient to provide quality service delivery. In this sense, organizations have continued the trend to digitalize services but have placed emphasis on improving the quality of services, building on technological developments and improved processes. This focus has given rise to initiatives that range from new web service portals and full life-cycle views of service delivery, to internal monitoring processes that support institutions as they enforce service quality.

Institutions have established new processes to improve service quality. For instance, Kazakhstan's State Social Insurance Fund introduced a web portal as the customer-facing dimension of a new process that has allowed the institution to significantly reduce the time to provide services from 6 months to 15 days. Türkiye's Social Security Institution (*Sosyal Güvenlik Kurumu* – SGK) introduced digital payment processes to improve the efficiency and precision of benefit payments. Portugal's Social Security Institute

(*Instituto da Segurança Social* – ISS) has further emphasized the importance of service delivery by establishing a 360 degree service delivery strategy to ensure that no member is left behind and that members are consistently served while the processes are dematerialized.

Monitoring, evaluating, and standardizing services remains a trend in the region, as in the case of Spain. In France, the URSSAF National Fund (*URSSAF Caisse nationale*) has shown how complementary monitoring mechanisms, such as social media reputation monitoring, are important to improve service quality. Also in France, the Council for the Social Protection of Self-Employed Workers (*Conseil de la protection sociale des travailleurs indépendants* – CPSTI) implemented complementary organizational and management internal control mechanisms to ensure that service quality policy has been enforced by leveraging the use of dashboards and indicators.

## RESOURCES

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- ISSA Publication. ICT response to COVID-19: Leveraging accelerated digital transformation to build better and more resilient social protection systems – Summary Report 2020–2022
- ISSA Analysis. Social security and human rights – Ensuring access and combatting the non-take-up of social benefits
- ISSA Technical Seminar. IEN Technical Seminar: Social security and human rights – Ensuring access and combatting the non-take-up of social benefits
- ISSA Conference. 16th ISSA International Conference on Information and Communication Technology in Social Security
- ISSA Conference. 16th ISSA International Conference on Information and Communication Technology in Social Security – Session on Digital transformation of social security institutions
- Good practice. Creating an inter-scheme internal control system: Risk control for processes managed by the sickness, old-age and collection of contributions branches – France
- Good practice. Service Evaluation System – Spain
- Good practice. 360° Vision: Intelligent and inclusive relationship – Portugal
- Good practice. Using the VIVESS app to receive proof of life from those living abroad – Spain
- Good practice. Social services portal – Kazakhstan
- Good practice. Improving the e-reputation of social security organizations – France
- Good practice. DOST Services: Home-based care – At your service everywhere – Azerbaijan
- Good practice. DOST call centre – strategy of transformation: Reality and compatibility/integrity – Azerbaijan
- Good practice. Electronic system on Individual Rehabilitation Programme – Azerbaijan
- Good practice. Implementing a customer service centre: Creating a multi-channel customer service and communication centre at the DRV Bund – Germany
- Good practice. Transfer of central payments to pensioners' bank accounts – Türkiye
- Good practice. Digital tracking of inappropriate paid pensions – Türkiye
- Good practice. A modern humanistic approach to the assignment of social benefits in Azerbaijan: Proactive people-centred assignment mechanism – Azerbaijan

## Customer-centric service delivery, multi-stakeholder engagement and digital inclusion

Institutions in the region have taken steps to focus on the customer when developing, expanding or refocusing service delivery to their members. Engaging in multi-stakeholder consultations has included different types of users, looking to build strategic partnerships, and even restructuring the organization of institutions to place customers at the centre. This, together with the use of new digital technology, has allowed institutions to provide more inclusive services, including encouraging the use of easy-to-understand language to improve dialogue with customers and provide a better user experience.

For instance, the German Federal Pension Insurance (*Deutsche Rentenversicherung Bund* – DRV Bund) has completely redesigned customer service centres, leveraging customer-centric approaches and new digital technology while simultaneously uniforming processes. Belgium's National Employment Office (*Office national de l'emploi* – ONEM) has applied a stakeholder engagement approach to ensure intermediary players are not left behind in the design of services. This has meant including key agents that play an active role in delivering services, especially where such services aim to address the technological divide which may present access challenges to some members. Also in Belgium, the Federal Pension

Service (*Service fédéral des Pensions* – SFP) has taken steps to bridge the digital divide while still providing a self-service portal. Specifically, the SFP has established an innovative "digital mandate" mechanism to implement the legal figure of a trustee that enables a trusted family member or friend to support individuals with lower digital skills. These examples show how customer-centric methodologies also leverage other stakeholders to bridge the technological divide.

Other examples of multi-stakeholder engagement include France's National Family Allowances Fund (*Caisse nationale des allocations familiales* – CNAF), where a new "parenthood lab" sets the basis for collaboration between stakeholders. The lab provides a space to collect parental experiences and co-create to identify innovative solutions based on root-user experiences in national projects. Iceland's Social Insurance Administration (*Tryggingastofnun ríkisins* – TR) has gone even further to establish a client ombudsman and quality control mechanisms to ensure customer satisfaction. In the field of rehabilitation, Kazakhstan and Germany have developed new web portals that include multi-stakeholder engagement, with a focus on customer-centric and user-friendly solutions.

## RESOURCES

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- ISSA Guidelines. ISSA Guidelines on Human Resource Management in Social Security Administration
- ISSA WSSF. World Social Security Forum
  - Sessions on people-centred social security in the human-digital age
  - Sessions on people-centred social security in the human-digital age – Parallel session 4: Social security human resources in transition
- ISSA Technical Seminar. IEN Technical Seminar: Social security and human rights – Ensuring access and combatting the non-take-up of social benefits
- ISSA Publication. Rebooting the social security workforce: Background on the ISSA Guidelines on Human Resource Management in Social Security Administration
- ISSA News. Rebooting the social security workforce
- ISSA Analysis. Towards customer-centric design and agile methodologies in social security institutions
- ISSA Publication. Digital inclusion: Improving social security service delivery
- ISSA Webinar. Capacity building and training in social security institutions
- Publication. Mutual learning workshop on access to social protection for workers and self-employed: focus on transparency
- Good practice. Social services portal – Kazakhstan
- Good practice. A digital mandate for mypension: Citizens helping one another online to bridge the digital divide – Belgium
- Good practice. Delivering a better service to citizens by improving internal applications at National Employment Office Beyond user-centred methodologies: Including employees at every step in the service design process – Belgium
- Good practice. DOST call centre – strategy of transformation: Reality and compatibility/integrity – Azerbaijan
- Good practice. Transformative governance: Enhancing social security through optimization and innovation in Azerbaijan – Azerbaijan
- Good practice. Meine-Rehabilitation.de: Public reporting by the German Federal Pension Insurance – Germany
- Good practice. The Digital Pension Overview: Good retirement planning starts here – Germany
- Good practice. Implementing a customer service centre: Creating a multi-channel customer service and communication centre at the DRV Bund – Germany
- Good practice. GINS and GINO: The Austrian e-card-system is fit for the future – Austria
- Good practice. eKRUS: Digital services for farmers insured with KRUS – Poland
- Good practice. Interactive tool to support the separation process – France
- Good practice. Creation of a “parenting lab”: National roll-out of a local good practice – France
- Good practice. Kela’s services for persons fleeing from Ukraine and under temporary protection: Prompt actions in an exceptional situation and enhanced preparedness for similar situations in the future – Finland
- Good practice. Listening to users as part of the Innovative Digital Factory: Using design thinking to create services that meet user needs – France
- Good practice. The Activity Report: Actions to improve the user experience – Sweden
- Good practice. Client Ombudsman – Iceland



## Governance, performance management and control for improved management

Institutions throughout Europe continue to look for ways to manage and control internal processes and to review governance structures to realign organizations towards new visions. Organizations are relying on the use of indicators and data to support management in monitoring, controlling budgets and general institutional performance.

In Azerbaijan, the State Social Protection Fund underwent a comprehensive restructuring to realign the organization with its main mission objectives. This process enabled the SSPF to improve service delivery and establish decision support tools for operational management, which included establishing key performance metrics to support assessment and benchmarking. Also established was a new vision towards proactive benefits delivery supported by an actionable ICT structure.

Better governance was also present in the form of new transparency-oriented web portals that allow stakeholders to research and statistically analyse

information on the state and conditions of the social security system, as in the case of Finland's Social Insurance Institution (*Kansaneläkelaitos* – Kela).

Other organizations have established better internal control mechanisms. For example, Belgium's ONEM established a new budget control system to analyse risk and help monitor technology projects, including performance metrics.

Organizations in Europe continue to exchange experiences at a regional and international level to enhance internal audit of operations and control. For example, the European Healthcare Fraud and Corruption Network (EHFCN) conference allowed institutions to review practices in establishing legal principles and integrity models supported by technology as well as behavioural insight that can improve evaluation, prevention, detection and investigation of improper use of resources.

### RESOURCES

- ISSA Publication. ICT response to COVID-19: Leveraging accelerated digital transformation to build better and more resilient social protection systems – Summary Report 2020–2022
- ISSA Publication. Rebooting the social security workforce: Background on the ISSA Guidelines on Human Resource Management in Social Security Administration
- ISSA Webinar. Operational governance and risk management in social security administration
- Publication. UN E-Government Survey 2022
- Conference. 15th EHFCN International Conference
- Publication. National AI Strategy
- Good practice. The Athena@ONEM project: A pragmatic approach to tackling technical debt – Belgium
- Good practice. Creating an inter-scheme internal control system: Risk control for processes managed by the sickness, old-age and collection of contributions branches – France
- Good practice. Transformative governance: Enhancing social security through optimization and innovation in Azerbaijan – Azerbaijan
- Good practice. DOST call centre – strategy of transformation: Reality and compatibility/integrity – Azerbaijan
- Good practice. DOST-Index: Decision support tool for operational management – Azerbaijan
- Good practice. Kela's Info Tray: A new trilingual web service for research and statistical information on social security in Finland – Finland



## Leveraging data exchange for data driven social security

Institutions in different branches of social security throughout the region have recognized the value of exchanging data as part of their efforts to provide better and more holistic services, better identify target populations, and expand coverage. This has allowed institutions to gain insights about their members and become proactive.

For instance, France's URSSAF National Fund engaged in data exchange practices to identify and support self-employed workers during the COVID-19 pandemic. Its new harmonized data exchange model allowed different social security institutions to better identify people's needs. The model also served as a coordination mechanism between different institutions to provide social security coverage to self-employed workers and difficult-to-cover groups. The State Social Insurance Fund Board of the Republic of Lithuania under the Ministry of Social Security and Labour (SSIFB) established an electronic data exchange claim process to provide, analyse and identify the target population. In Portugal, the Informatics Institute (*Instituto de Informática*), established a multi-stakeholder data exchange system to provide a new web-based portal for people working in the creative sector. Finally, in the Netherlands, the Social Insurance Bank (*Sociale Verzekeringsbank – SVB*) has developed a multi-party data exchange to address the non-takeup of an income support supplement by identifying the target population while still complying with data protection regulations.

Data exchange between institutions has also helped improve service delivery in organizations across the region. This has been the case in Azerbaijan, where the Agency for Sustainable and Operational Social Security (DOST) has leveraged data exchange as a means to integrate applications for disabilities from different rehabilitation institutions as part of its one-stop-shop strategy. These efforts have complemented efforts to leverage data exchange to proactively streamline the delivery of benefits. Belgium's ONEM established an inter-institutional case platform for employment through a loosely coupled data exchange process.

Data exchange was not only limited to interactions between public institutions. Experiences in Austria show how data exchange with the private sector facilitated the e-prescription of health insurance prescriptions that enabled electronic filing and billing, integrating with pharmacies. Germany's DRV-Bund established a data exchange with pension managers to establish a comprehensive overview of pension entitlements.

## RESOURCES

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- ISSA Webinar. Leveraging data exchange for better service delivery
- Good practice. Pilot programme: Reduce the non-utilization of AIO supplement intended as income support for individuals of AOW pension age – Netherlands
- Good practice. Harmonizing exchanges between partners: The coordinated social security offer to support self-employed workers in difficulty – France
- Good practice. The Digital Pension Overview: Good retirement planning starts here – Germany
- Good practice. Electronic system on Individual Rehabilitation Programme – Azerbaijan
- Good practice. E-prescription: Totally digital – Austria
- Good practice. Transparency in the application of social security agreements – Serbia
- Good practice. Kela's Info Tray: A new trilingual web service for research and statistical information on social security in Finland – Finland
- Good practice. Social Security Agreements Healthcare Entitlement Verification System (YUPASS) – Türkiye
- Good practice. Interinstitutional re-use of case management: When a project transforms into a product, and thereby meets the needs of multiple government agencies – Belgium
- Good practice. Single person's benefit – Lithuania
- Good practice. A modern humanistic approach to the assignment of social benefits in Azerbaijan: Proactive people-centred assignment mechanism – Azerbaijan
- Good practice. IT development of Statute of the Cultural Professional – Portugal

## Leveraging tailored and multi-channel communication strategies

Social security institutions in Europe have also implemented mechanisms to strengthen communication with customers as part of their overall strategies. The development of new channels and the improvement of existing ones has translated into more comprehensive strategies and services with a focus on quality and adapting how institutions communicate with stakeholders based on their preferences and capacity.

These strategies range from personalized information portals, as in Latvia's State Social Insurance Agency to Poland's Social Insurance Institution (*Zakład Ubezpieczeń Społecznych* – ZUS), which uses multi-channel communication strategies to support crisis situations. Greece's Electronic National Social Security Fund (*e-EFKA*) established a new pensions process that leverages digital communication channels (including video conferencing) for their communication and claims processing. Similarly, France's National School

of Social Security (*École nationale supérieure de sécurité sociale* – EN3S) introduced a website that includes a pedagogical explanation of social security benefits targeting the younger population group.

Azerbaijan's DOST reorganized its call centre to provide services through different channels, including telephone, online chat and social media. In addition, it re-aligned its governance model to support a customer-centric and "citizen-servicing" model based on the proactive calculation of benefits to align with its vision of a one-stop-shop. Finally, Spain's General Treasury of Social Security (*Tesorería General de la Seguridad Social* – TGSS) further deepened its multi-channel strategy and identified the "right" channel to use based on clients' preferences as part of a holistic service quality methodology.

### RESOURCES

- ISSA Publication. ICT response to COVID-19: Leveraging accelerated digital transformation to build better and more resilient social protection systems – Summary Report 2020–2022
- ISSA Analysis. Towards customer-centric design and agile methodologies in social security institutions
- ISSA Webinar. Customer-centric application development – Leveraging design-thinking and agile methodologies
- Good practice. Service Evaluation System – Spain
- Good practice. Holistic approach for the pension award process with new, client-targeted digital services – Greece
- Good practice. Crisis support for Ukrainian citizens – Poland
- Good practice. Personalized dashboard: Online information and services of the State Social Insurance Agency – Latvia
- Good practice. DOST call centre – strategy of transformation: Reality and compatibility/integrity – Azerbaijan
- Good practice. Transformative governance: Enhancing social security through optimization and innovation in Azerbaijan – Azerbaijan
- Good practice. "Secu-jeunes": raising young people's awareness of social citizenship for a sustainable social protection system – France

## Artificial intelligence

Artificial intelligence (AI) continues to lie at the heart of discussions in the region concerning technology. Various organizations are developing a deeper understanding of the potential for as well as the implications, scope and limitations of this new technology. At the regional level, these efforts have led to new draft legislation, the proposed AI Act from the European Commission. The new momentum of innovative solutions in social security have fed into a proliferation of AI-based applications in social security, including on data analytics, risk management and even the use of generative AI.

Data analytics are used by Azerbaijan's SSPF, where an AI solution supports the targeting of state social assistance. The solution supports the evaluation of household conditions and further generates travel plans including optimal routing via geographic information systems and global

positioning systems. In France, the URSSAF National Fund leveraged an AI solution to analyse and forecast social security contribution collection, to support and enhance its cash flow management.

The application of AI for risk management can be seen in various countries. In Germany, it provides a risk analysis and assessment tool for the workplace, also supporting inspectors in the targeted review of risks. In Austria, AI supports processing and managing health claims, streamlining the processes and releasing specialized human resources to review specific claims.

Finally, generative AI models have already helped Spain to segment citizens according to needs, by providing the right communication channel for specific groups of individuals.

## RESOURCES

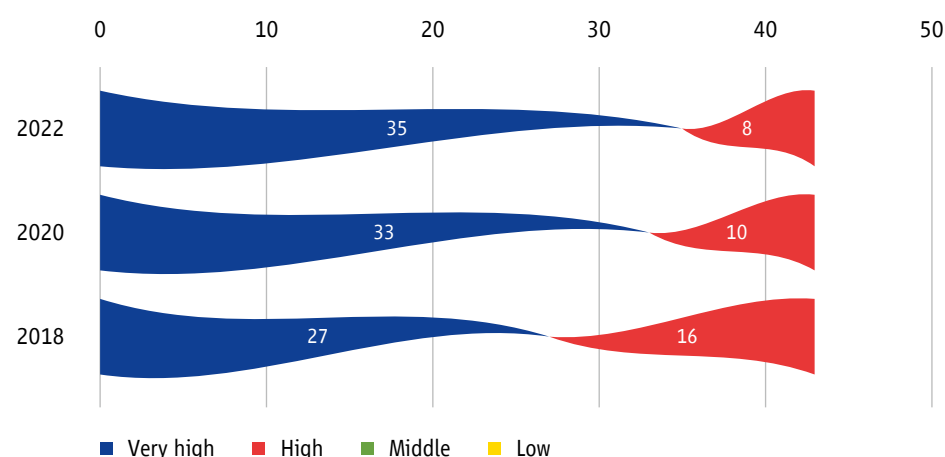
- ISSA Analysis. Artificial intelligence: Analysis articles
- ISSA Webinar. Artificial intelligence Webinar Series
- Publication. Artificial Intelligence Act: Briefing
- Legislation. Artificial Intelligence Act
- Article. International outreach for human-centric artificial intelligence initiative
- Article. A European approach to artificial intelligence
- Conference. 15th EHFCN International Conference
- Webinar. AI in health insurance
- Good practice. Service Evaluation System – Spain
- Good practice. Risk assessment in the workplace: Using artificial intelligence – Germany
- Good practice. E-prescription: Totally digital – Austria
- Good practice. An artificial-intelligence-based solution to the examination of household conditions for the Targeted State Social Assistance assignment in Azerbaijan – Azerbaijan
- Good practice. A modern humanistic approach to the assignment of social benefits in Azerbaijan: Proactive people-centred assignment mechanism – Azerbaijan
- Good practice. Online pension demand in mypension.be: A one-stop shop for citizen's pension administration – Belgium
- Good practice. Cash flow: machine learning forecast of daily private sector social security contributions – France
- Good practice. Improving occupational health and safety in the construction sector thanks to artificial intelligence – Germany



# Facts & trends

## E-government development index (EGDI)

**Figure 1.** Number of European countries by EGDI group by year



*Note:* The EGDI is a composite benchmark of e-government development consisting of the weighted average of three independent component indices: the Online Services Index (OSI), the Telecommunications Infrastructure Index (TII), and the Human Capital Index (HCI).

### Sources

UNDESA (2020, p. 43; 2022a, pp. 55–56).

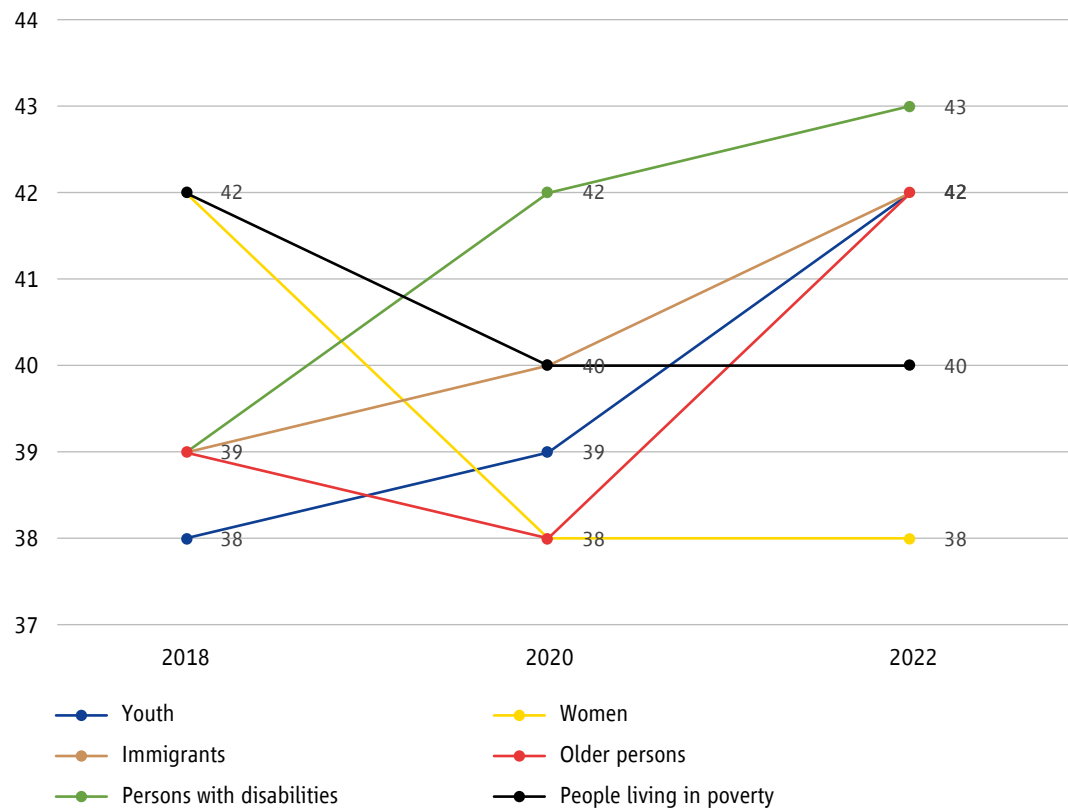
### Key stats

- In 2022, Europe continued to lead in the development of e-government, with an average EGDI value of 0.8305 on a scale of 0 to 1.
- As shown in Figure 1, all surveyed European countries surpassed the global average of 0.6102 in EGDI values, with 81% (35 of 43 countries) achieving very high EGDI values (above 0.75), and the remaining 19% (8 of 43 countries) attaining high EGDI values (between 0.50 and 0.75).
- The “very high” EDGI category grew by 29.6%, expanding from 27 countries in 2018 to comprise 35 countries in 2022.
- In 2020, Europe accounted for the highest proportion of countries worldwide in the very high EGDI group: 8 out of the 15 countries classified in the highest (very high) rating category were European.
- Europe reports the lowest variance in country EGDI values (between 0.6256 and 0.9717). This indicates that the region is progressing towards convergence in e-government development levels more swiftly than other regions.

UNDESA (2020, p. 43; 2022a, pp. 55–56).

## Digital inclusion developments

**Figure 2.** Evolution of the number of countries offering online services targeted at vulnerable groups, 2018–2022



### Source

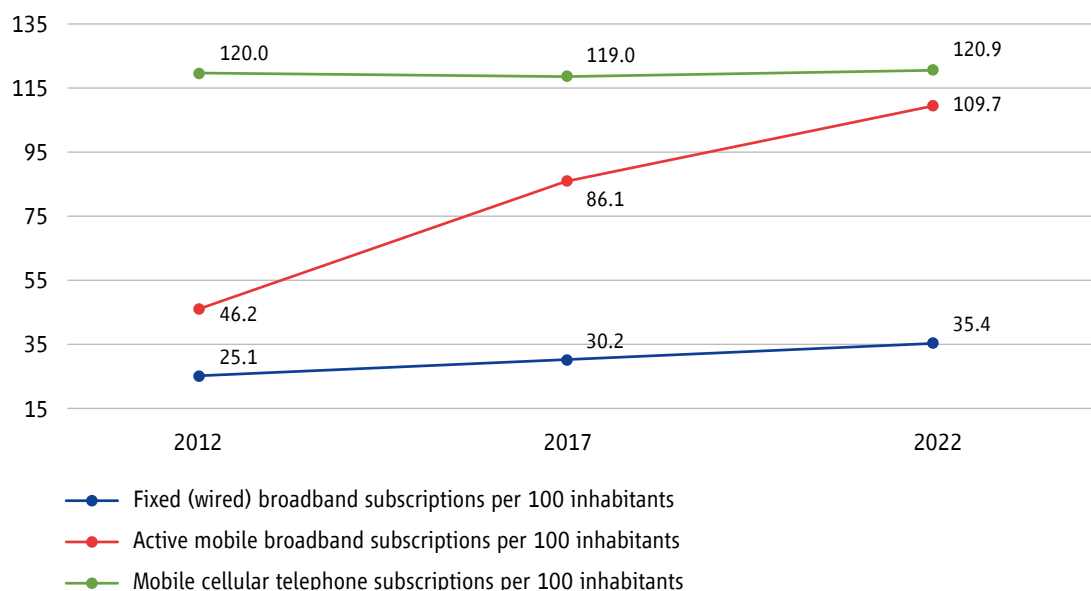
UNDESA (2022a, pp. 59–60).

### Key stats

- In Europe the number of countries offering online services for vulnerable people has generally increased since 2020. In 2022, 96% of the surveyed countries (41 countries out of 43) offered services for vulnerable people.  
[UNDESA \(2022a, pp. 59–60\).](#)
- There was an observed rise in the number of countries providing targeted online services for all categories of vulnerable people. Notable was an increase in services for young people, rising from 39 to 42 out of 43 surveyed countries, and for older people, which increased from 38 to 42 of the surveyed countries.  
[UNDESA \(2022a, pp. 59–60\).](#)
- 82% of countries in Europe offer sector-specific mobile services: 39 of the 43 countries surveyed offer the possibility to apply online for social protection benefits.  
[UNDESA \(2022a, pp. 34 and 58\).](#)

## Access to online services: Mobile-based connectivity

**Figure 3.** People using the Internet and fixed (wired) broadband, active mobile broadband, and mobile cellular telephone subscriptions per 100 inhabitants, (2012–2022)



### Sources

UNDESA (2022a, p. 36) and ITU (2023).


### Key stats

- Since 2020, the proportion of the population in Europe using the Internet (fixed and mobile) has increased by 18%. Fixed subscription levels are generally lower than those for mobile subscriptions, as the former are typically shared within a household, while the latter are typically associated with an individual user.  
UNDESA (2022a, p. 36) and ITU (2023).
- In the past decade, active mobile-broadband subscription penetration in Europe has experienced an average annual growth rate of 13.7%.  
ITU (2023).
- Despite a slower pace of growth compared to active mobile-broadband subscriptions, fixed-broadband subscriptions also continue to grow steadily. Over the past decade, they rose from 25.1% to 35.4%, with an average annual increase of 1%.  
ITU (2023).




## Key messages

# 01




Digitalization efforts in Europe have focused on service quality to look at end-to-end service delivery cycles.

# 02



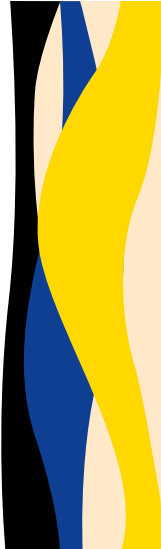
Through customer-centric service delivery, institutions have found new ways of ensuring that services are not only efficient but adapted to customer needs.

# 03



Organizations' use of multi-channel communications has evolved and is more tailored to customers needs and capacity.

# 04



Organizations are emphasizing the use of indicators and data to support management in monitoring, controlling budgets and performance, which continues to improve the overall governance of the institutions.

# 05



Data exchange is being leveraged to gain further insight about members, identify target populations, expand coverage, and continue to improve service delivery.

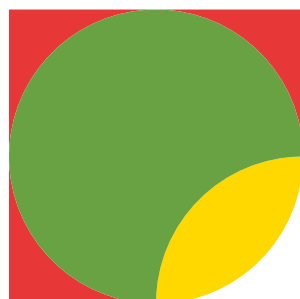
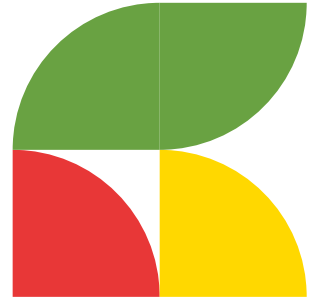
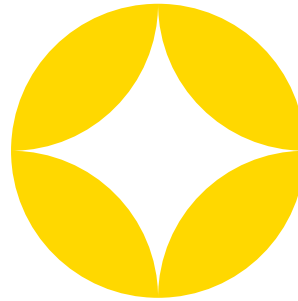
# 06



A new breeding ground of innovation around the implementation of AI tools has continued to gain momentum where social security institutions have started to see the potential these tools can bring to social security institutions and service delivery.







# Coverage

Social security coverage for all



# Social security coverage for all

## Introduction

Many of the roots of modern social security systems are European, which tops all regions in terms of both the scope and level of social security coverage afforded to the population. Well-developed social security systems in this region – including tax-financed, mandatory contributory and complementary or supplementary schemes, such as those provided by employers or mutual benefit societies – play a pivotal role in ensuring protection for large proportions of the population against life cycle and labour market risks. The role of social security systems as essential social and economic stabilizers was most recently evidenced when mitigating the negative social and economic consequences of the COVID-19 crisis.

Despite the region's achievements, coverage gaps remain in a number of countries, especially for certain groups, such as migrants, women, self-employed workers, and people engaged in digital platform work and other new forms of employment. Self-employed workers in particular have long lacked full legal and effective access to comprehensive coverage. The expansion of platform work has shed light on these gaps and raised awareness concerning the coverage challenges facing platform workers and self-employed workers in the region. In Central and Eastern Europe and Central Asia, some

comprehensive programmes have been eroded or discontinued, creating gaps in both legal and effective coverage. In these subregions, closing coverage gaps is inextricably linked to efforts to address high levels of labour market informality.

Against this backdrop, a worsening geopolitical context has heightened the need for coverage extension for migrants and refugees, posing serious challenges for many social security systems in the region and requiring proactive and efficient action. Encouragingly, regional authorities as well as many national governments and social security systems have enhanced their efforts to extend social security coverage and improve access to and the adequacy of benefits. Solutions in Europe in recent years have included the extension of legal coverage to previously excluded workers (notably, self-employed workers), establishment of new schemes or programmes for targeted groups, and reduction of administrative barriers and improvements in service delivery through innovative strategies.

These efforts are indicative of a strong and sustained commitment to ensure that the fundamental human right to social security becomes a reality for all in Europe.

## RESOURCES

- Publication. World Social Protection Report 2020–22: Regional companion report for Central and Eastern Europe and Central Asia
- Publication. Council conclusions on social protection for the self-employed



# Synthesis of the main trends and developments

## Translating European Union social protection principles into action for self-employed workers

In the wake of the COVID-19 pandemic and with the rise of new forms of employment, the significant and persistent coverage gaps for self-employed workers across the region, especially for work injury, unemployment, and sickness benefits, have become more apparent.

The European Union's (EU) European Pillar of Social Rights holds that all workers, including self-employed workers, should have access to comparable social protection for comparable work (Principle 12). Subsequent recommendations of the Council of the European Union call for extending formal coverage that is effective and adequate, facilitating the transfer of benefits across schemes and increasing the transparency of systems. To date, around half of EU Member States have undertaken or announced measures to enhance social protection for self-employed workers.

Several countries, including France, Ireland and Portugal have improved the scope of benefits available to self-employed workers under compulsory schemes. In France, for example, as of 2021, self-employed people working in liberal professions gained access to daily cash sickness allowances for up to 90 days.

To address issues of the affordability, adequacy and sustainability of benefit programmes, other countries have sought new arrangements to share the responsibility for contributions, adjusted the contribution base, and provided subsidies and flexibility to encourage enrolment. For instance, Portugal and Spain have allowed for greater flexibility in the contribution base to improve affordability for those with lower incomes, and Türkiye provides explicit financial incentives, including contribution discounts, directed at self-employed workers and certain other groups.

Positively, many countries in Europe have also significantly enhanced the accessibility and quality of social security services for self-employed workers. Examples include unified registration and contribution payment in Estonia's entrepreneur accounts, and simplified processes for France's auto-entrepreneurs and Serbia's freelancers. Furthermore, in France, institutions have harmonized services for self-employed workers and improved internal monitoring systems. Finally, organizations in several countries, including Finland, France and Poland have improved services for rural and agricultural workers, many of whom are self-employed, by developing front-office and digital services as well as tools to assess workplace health.



## RESOURCES

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- Publication. World Social Protection Report 2020–22: Regional companion report for Central and Eastern Europe and Central Asia
- ISSA Analysis. Social security for the self-employed in Europe: Progress and developments
- Publication. Council conclusions on social protection for the self-employed
- Article. Jobseeker's benefit (self-employed)
- Article. Trabalhadores independentes
- Publication. Practical guide: New scheme for self-employed persons
- Publication. Extending social security to workers in the informal economy: Lessons from international experience
- Good practice. Harmonizing exchanges between partners: The coordinated social security offer to support self-employed workers in difficulty – France
- Good practice. Creating an inter-scheme internal control system: Risk control for processes managed by the sickness, old-age and collection of contribution branches – France
- Good practice. The Farmer's Work Ability Scale – Finland
- Good practice. Setting up improved social security front office services at the heart of the regions: Providing support to all insured persons from one single location – France
- Good practice. eKRUS: Digital services for farmers insured with KRUS – Poland





## Digital platform work: Pushing the frontiers of coverage extension

Currently, nearly 30 million workers are engaged through some 500 digital platforms operating in the EU. The vast majority of platform workers in the region are classified as self-employed, with implications for their ability to legally access and, in some cases, afford comprehensive and adequate social security coverage.

EU regulators estimate that a significant number of these workers are misclassified, prompting a contentious debate surrounding the development of a new EU directive on improving the working conditions and social protection – including through appropriate classification – of platform workers. Once formally approved, EU Member States will have two years to incorporate the EU directive into national law.

In parallel, some countries have already implemented targeted extensions to platform workers under specific schemes or branches. For example, Belgium, France and Italy (courier sector only) all require platforms to cover workers for work injury and accident insurance as if they were employees. Some platform workers have

gained rights through single platform collective agreements, as in Denmark (wage, pensions, sickness leave and family benefits) and the Netherlands (training, pensions, and disability and liability insurance).

In Germany and the United Kingdom, policy makers are engaged in discussions around the extension of benefits to platform workers. Germany is considering providing self-employed platform workers with statutory pension coverage and requiring digital platforms to pay contributions, among other changes. The United Kingdom's "Good Work Plan" calls for closer alignment of rights and protection for employees and "workers" (an intermediary category between self-employed and employee) and for improved statutory protection for gig and vulnerable workers.

Owing to its novelty, digital platform work will continue to be a frontier for policy change, including for social security, and social security institutions in the region must position themselves to quickly adapt to changing regulations.

### RESOURCES

- ISSA Analysis. Platform workers and social security: Recent developments in Europe
- News. European Commission welcomes political agreement on improving working conditions in platform work
- Article. Member States deal heavy blow to platform work deal
- Article. Platform work and access to social protection across major European countries
- ISSR Special Issue. Digital social security accounts for platform workers: The case of Estonia's entrepreneur account
- ISSA publication. Employment and social protection for platform workers: Recent developments and trends
- Publication. Study to support the impact assessment of an EU initiative to improve the working conditions in platform work
- ISSA Technical Seminar. Belgium's multi-tiered classification of platform workers



## Making universal health coverage a reality

The aim of universal health coverage (UHC) is to provide essential health services – encompassing preventive, primary, hospital, dental, and mental health care – to all in an equitable way and without financial burden. European nations invest in infrastructure, technology, and professionals to ensure health care quality under diverse financing models (public, mixed public and private, contributory, tax-financed). While the EU facilitates cross-border health care access within the European Union, collaboration through regional agreements can significantly improve health care accessibility in Eurasian countries.

Despite progress, financial sustainability challenges and workforce shortages persist, prompting ongoing efforts to enhance and adapt health care systems. Demographic changes, particularly the increased demand for long-term care (LTC), is driving governments to expand the scope of social security and improve systems for older adults. Social security systems can optimize LTC provisions by integrating technology and community-based care models to improve access, while personalized care plans and interdisciplinary teams provide comprehensive support, leading to better outcomes.

Specific initiatives in Finland, Ireland, Portugal and Türkiye exemplify the regional commitment to address diverse health care needs and access challenges. Finland has developed customer service solutions for exceptional situations, Ireland provides a grant for alopecia and cancer patients, Portugal has enhanced a programme for economically vulnerable older people by offering discounted health care services and co-payments, and Türkiye recently extended online health insurance access for international students.

In addition, a cross-frontier joint initiative to advance mental health support for residents in Wallonia and Brussels (these are two of the three distinct regions in Belgium), Belgium, covered by the Solidaris Mutual Benefit Society (*Solidaris Mutualité*) and for farmers linked with Central Fund of Social Agricultural Mutual Benefit Societies (*Caisse centrale de la mutualité sociale Agricole – MSA*) in France has been launched. This collaborative effort aims to prevent suicides and promote comprehensive well-being.

These efforts collectively contribute to the overarching goal of achieving UHC in Europe.



## RESOURCES

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- Publication. World Social Protection Report 2020–22: Social protection at the crossroads – in pursuit of a better future
- ISSR Special Issue. The human right to long-term care for the elderly: Extending the role of social security programmes
- ILO-ISSA Publication. Long-term care in the context of population ageing: A rights-based approach to universal coverage
- Publication. Achieving universal health coverage: Public debate on the future health priorities of the European Union
- Publication. The impact of demographic change in a changing environment
- Publication. Long-term care report: Trends, challenges and opportunities in an ageing society (Vol. 1)
- Good practice. Universal health insurance online application system for international students – Türkiye
- Good practice. The introduction of a grant towards the cost of hair replacement products for those suffering from alopecia and cancer – Ireland
- Good practice. Kela's services for persons fleeing from Ukraine and under temporary protection: Prompt actions in an exceptional situation and enhanced preparedness for similar situations in the future – Finland
- Good practice. CSI Additional Health Benefits programme: Medication co-payment – Portugal
- Good practice. Sentinels who give wings for preventive social security: A multifactorial initiative of shared inspiration between Belgium (Solidaris) and France (CCMSA) – Belgium and France

## Strengthening systems for vulnerable workers and populations

Even in the typically well-developed systems of Europe, certain groups and individuals may still lack access to adequate and comprehensive coverage, whether due to legal gaps, high levels of informality or challenges with access.

Extending social security coverage to the missing middle – those workers mainly in the informal economy who are neither poor enough to be entitled to social assistance benefits nor adequately covered by contributory programmes – is a priority for many countries. Given high and persistent informality in parts of Southern and Eastern Europe and Central Asia, some national governments have attached great importance to the development of a national strategy on the transition from informal to formal employment. In Kyrgyzstan, for example, the extension of social security (specifically, unemployment and maternity benefits) is key to the national strategy. Uzbekistan is reportedly poised to develop a similar strategy. The focus on short-term benefits

reveals a growing recognition of the need to improve the relevance and attractiveness of social security systems for working-age people.

In recent years, innovative policies and administrative measures have been adopted to extend coverage to difficult-to-cover groups and address the issue of the non-takeup of social security benefits. For example, Albania implemented special protection for unemployed women, while Türkiye has implemented several policies to boost the employment and social protection of the long-term unemployed, young people and women, including contribution subsidies for recruiting businesses. Finally, several countries have effectively addressed the issue of the non-takeup of benefits through process transformation and automation for specific vulnerable populations and their households, including single persons (Lithuania), low-income workers (Malta) and low-income pensioners (the Netherlands).

### RESOURCES

- ILO Project. Transition from informal to formal employment, Kyrgyzstan
- Publication. The European Pillar of Social Rights in 20 principles
- Publication. Extending social security to workers in the informal economy – Lessons from international experience
- Publication. Turkey implements extensive employment subsidies
- ISSA Technical Seminar. Platform work, self-employment and social security in Europe and beyond – Unpacking the links and exploring solutions
- Good practice. The special protection to unemployed women: Coverage with social security elements of unemployed women due to the need to care for minor children – Albania
- Good practice. Transformative governance: Enhancing social security through optimization and innovation in Azerbaijan – Azerbaijan
- Good practice. Pilot programme: Reduce the non-utilization of AIO supplement intended as income support for individuals of AOW pension age – Netherlands
- Good practice. Digitalization of the In-Work Benefit Scheme: A key labour market incentive – Malta
- Good practice. Single person's benefit – Lithuania



## Ensuring better protection for migrants and refugees

The region is facing an acute migration crisis due to armed conflicts and natural disasters in Europe and neighbouring regions, as well as deteriorating economic and political situations in some countries. Reportedly, the number of first-time asylum applications in the EU increased by 64 per cent from 2021 to 2022, and nearly 6 million Ukrainian refugees had fled to other European countries by the end of 2023. Regardless of migration status, those from outside the EU attempting to work face significant challenges. They are significantly less likely to be employed, resulting in lower access to earned entitlements.

Social security institutions around the region have also developed mechanisms to ensure Ukrainian refugees have access to social protection. For example, Poland extended the right to family benefits to Ukrainian refugees and ensured their effective delivery through the Social Insurance Institution (*Zakład Ubezpieczeń*

*Spolecznych – ZUS*). Other institutions have tailored services to refugees by providing services in their native language, introducing mechanisms for rapid admission and integration and extending support for families with children and pensioners.

Generally, European countries have been updating their policies and administrative measures, with mixed implications for social security. In this context, social security institutions are ensuring that migrants and refugees have access to the benefits to which they are entitled, including through the use of bilateral and international social security agreements. To facilitate this, in Serbia, the texts of 34 international social security agreements are publicly available in the corresponding country languages. Also, in Germany and Portugal, migrants in irregular situations can access some urgent medical care.

### RESOURCES

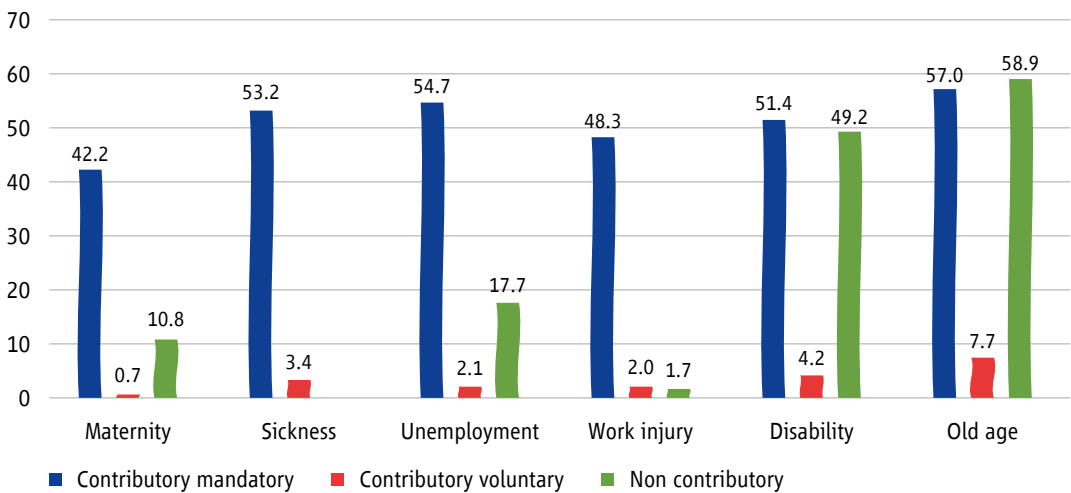
- ILO-ISSA Publication. Extending social protection to migrant workers, refugees, and their families: Guide for policymakers and practitioners
- Database. Ukraine refugee situation
- Publication. Latest asylum trends
- Good practice. Crisis support for Ukrainian citizens – Poland
- Good practice. Kela services for persons fleeing from Ukraine and under temporary protection: Prompt actions in an exceptional situation and enhanced preparedness for similar situations in the future – Finland
- Good practice. Automatic assignment of social security identification number to people displaced from Ukraine because of the ongoing war – Portugal
- Good practice. Transparency in the applications of social security agreements – Serbia



# Facts & trends

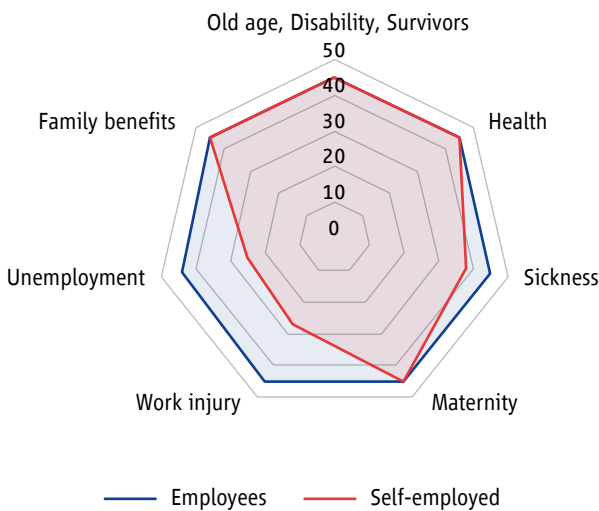
## Social security coverage in legislation

**Figure 1.** Legal social security coverage of the working-age population by risk covered and type of programme (%), 2020



**Source**  
ILO (2022).

**Figure 2.** Legal coverage by branch and employment status, 2020



**Source**  
ISSA (2024).

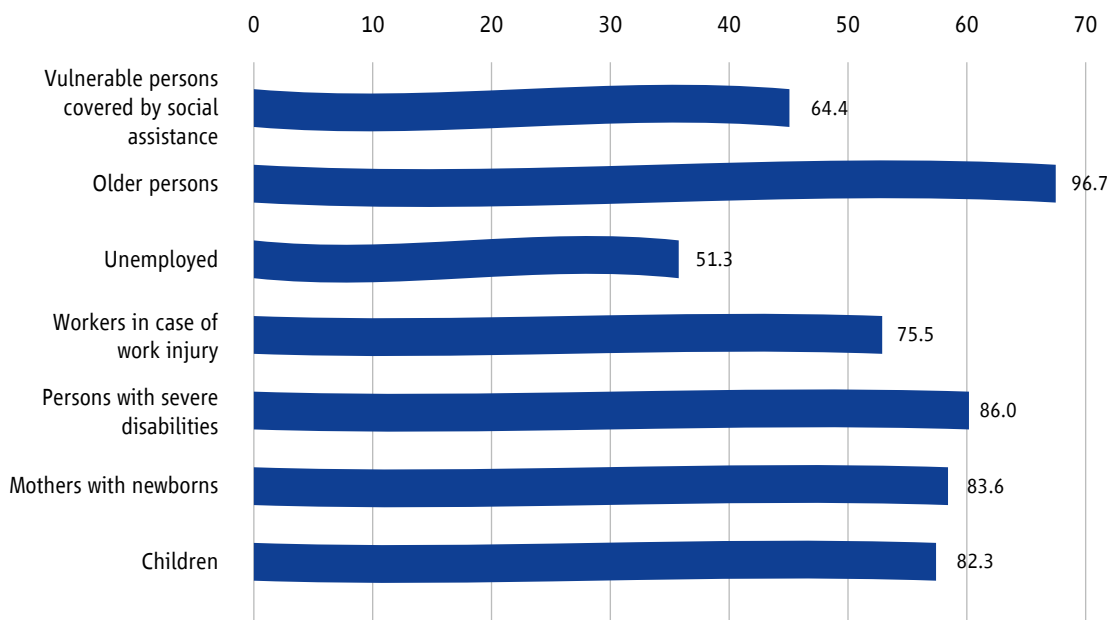


### Key stats

- In 2020, 52.7% of the working-age population in Europe was legally entitled to comprehensive social protection coverage.  
[ILO \(2021a, p. 56\)](#).
- In 2019, approximately 57% of the working-age population in Europe was covered under old-age mandatory contributory schemes, 7.7% under voluntary contributory schemes, and 58.9% under non-contributory schemes.
- In contributory programmes, legal coverage for women tends to be lower than for men (51.1% and 63.5%, respectively), while coverage levels for women and men under non-contributory schemes are similar (59.6% and 58.3%, respectively).  
[ILO \(2021a, pp. 169 and 170 and 2022\)](#).
- Currently, 42.2% of working-age women are legally covered by contributory programmes providing cash maternity benefits, while 53.2% of people of working age are eligible to receive cash sickness benefits under contributory mandatory programmes.  
[ILO \(2022\)](#).
- The nature of legal coverage for self-employed persons and employees is largely consistent across all countries for old age, disability, survivors, health, and family benefits. Disparities emerge regarding coverage for the risks of work injury and unemployment. While nearly all surveyed countries offer coverage for employees for these risks, self-employed persons are covered in only 27 countries (work injury) and 25 countries (unemployment).  
[ISSA \(2024\)](#).

## Effective coverage in Europe

Figure 3. Effective coverage by population group (%), 2020



### Source

[ILO \(2021a, p. 46\)](#).

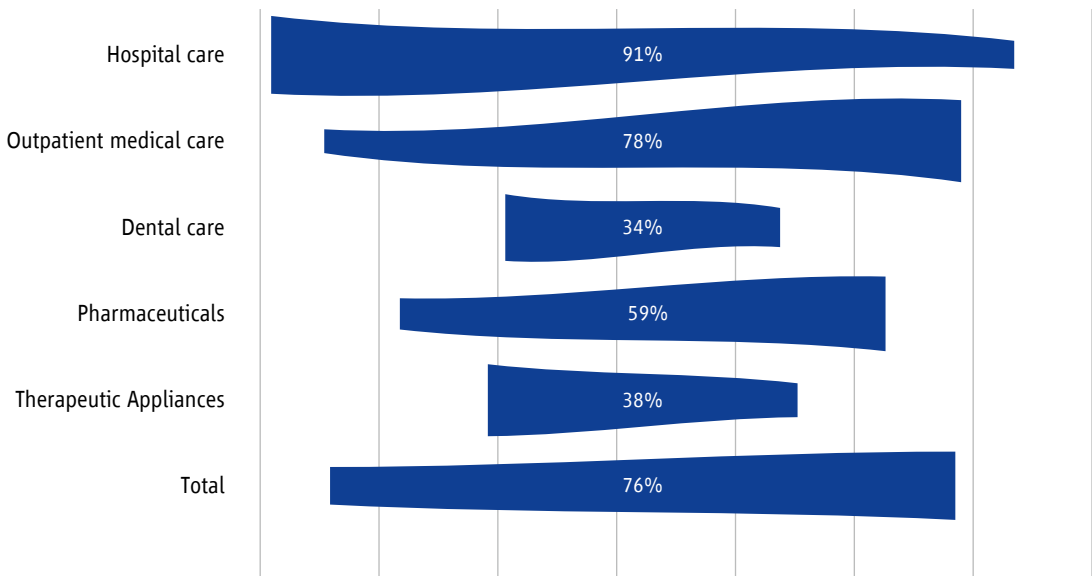


Key stats

- In Europe, old-age pensions remain the most widespread benefit, where 96.7% of people aged 60+ receive old-age pensions.  
[ILO \(2021a, p. 171\)](#).
- Across Europe, coverage for cash maternity benefits extends to 83.6% of women of childbearing age, with the minimum level of national coverage sitting at 63.5%. Out of the 45 countries surveyed, paternity benefits are provided by 23 countries.  
[ILO \(2022\)](#) and [ISSA \(2024\)](#).
- Despite global improvements in extending social protection to children in recent decades, coverage declined slightly in Europe from 84.6% to 82.3% between 2016 and 2020. Sub-regional variations highlight disparities, as 7 out of 34 surveyed countries have coverage rates below 50%, while 23 countries report a 100% coverage rate.  
[ILO \(2022\)](#) and [ILO and UNICEF \(2023, p. 30\)](#).

Coverage of health services

Figure 4. Government and compulsory insurance spending as proportion of total health spending by type of service, 2022



Source  
[OECD \(2022\)](#).

Key stats

- Many countries in Europe have significant gaps in health care coverage, mostly determined on the basis for entitlement to publicly financed health care. Achieving Universal Health Coverage (UHC) in numerous European countries entails revisiting the eligibility criteria to ensure that automatic coverage extends to all residents, rather than limiting it solely to legal residents.  
[WHO \(2023a, p. 67\)](#).
- Across countries in Europe, catastrophic health spending is driven by payments for outpatient medications and dental services.  
[WHO \(2023a, p. 67\)](#).






- In most countries in Europe the lowest income group report greater unmet medical needs. A higher percentage of the population experience unmet needs for dental care compared to medical care. This is attributed to the partial or complete exclusion of coverage for dental care by public schemes in many countries, requiring individuals to either pay out-of-pocket or obtain coverage through private health insurance.  
[OECD \(2022, pp. 170–171\).](#)

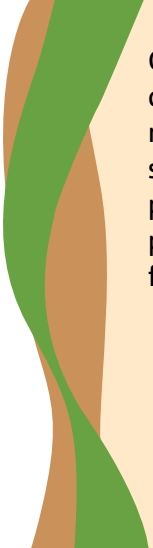
## Key messages

# 01




Even in the typically well-developed systems of Europe, adequate and comprehensive coverage may be absent for some people, whether due to legal gaps, high levels of informality or challenges with access. Some countries are tackling coverage extension in tandem with formalization strategies, while others are closing gaps for specific vulnerable groups.

# 02




Coverage gaps remain in some countries, especially for migrants, women, self-employed workers, and people engaged in digital platform work and other new forms of employment.

# 03



Spurred by calls to action at the regional level, countries are addressing significant gaps in coverage for self-employed workers by extending legal access to additional branches, adapting contributions to be more affordable and flexible, and improving administrative systems to facilitate access.

# 04



Specific developments vis-a-vis platform work are pushing forward coverage extension in the region for platform workers as well as self-employed workers.

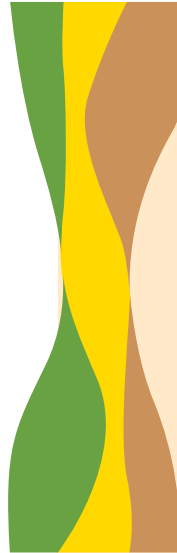


# 05

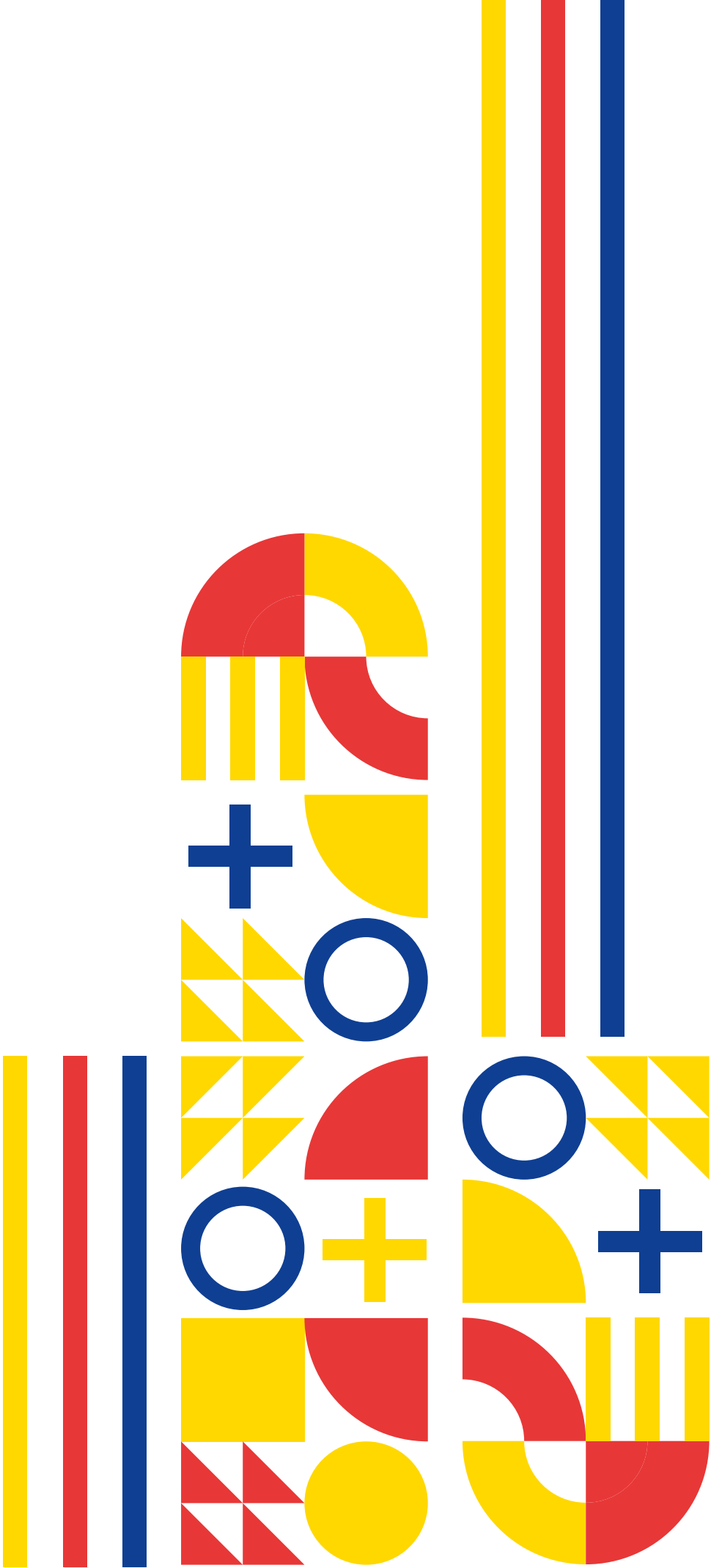


Initiatives in the region are contributing to meeting the overarching goal of achieving universal health coverage, though financial sustainability challenges and workforce shortages persist, prompting efforts to enhance and adapt health care systems.

# 06



Migration continues to present an acute and intractable challenge for many countries in the region. Social security institutions are actively working to ensure that migrants and refugees have access to the benefits and care to which they are entitled.



# Life course

Protecting and supporting people  
during a changing life course



# Protecting and supporting people during a changing life course

## Introduction

The trajectory of human life is a dynamic journey marked by a series of transitions, challenges and transformations. In the region of Europe, this voyage is increasingly defined by a myriad of shifts influenced by societal, economic, technological and demographic changes. Protecting and supporting people at different stages of their life is a central mandate of social security systems and requires comprehensive approaches to promote well-being and opportunities for all members of society.

Europe, with its diverse cultural landscape and socioeconomic dynamics, faces a kaleidoscope of transitions that intersect with the life course. This involves navigating early childhood, the education system, reproductive and partnership decisions, periods of ill health or illness, physical movement within and across national borders, and increasingly atypical and flexible career trajectories. Ever more so, these individual and household trajectories are shaped by intricate and rapidly evolving societal developments, such as population ageing, changing family structures, migration patterns, and advancements in technology that revolutionize the nature of work and communication.

Robust social protection systems, safeguard covered individuals and their households by mitigating and preventing risks and vulnerabilities, starting in childhood and continuing into old age. In Europe, the large majority (more than 80 per cent) of children are entitled to rights-based child benefits from birth, ensuring everyone enjoys a good start

in life. Moreover, guaranteeing a minimum level of income for all households continues to be a priority. Throughout working age, increasingly well-coordinated cash benefits and care and employment policies ensure that workers of all ages and in all types of employment can thrive in increasingly dynamic labour markets and safer workplaces.

Demographic ageing continues to be a central challenge, prompting national authorities and organizations to proactively prepare for the evolving needs of older societies. As people progress into older age, old-age pensions and health care services becomes instrumental in fostering financial stability, social inclusion and well-being. Of importance, European social security systems are finding creative and multi-faceted ways to keep people active and capable for as long as possible. Furthermore, disability benefits, rehabilitation services, and quality health care remain integral components of a comprehensive social security system throughout the life span.

Social security institutions across Europe must proactively ensure access to necessary resources and support to enable all to successfully navigate life's diverse transitions. Practical experiences from the region illustrate how social security systems are accompanying their populations through the different stages of life, thereby better equipping them to cope with the growing complexities of a changing societal, economic and technological landscape.



# Synthesis of the main trends and developments

## Supporting changing families through improved services

The rising prevalence of atypical families and family ruptures, together with changing career patterns, have heightened the socioeconomic vulnerability of many households across Europe. This has led governments and institutions to adopt policies and tools to improve support to children and families, including services to enhance cash, care and paid leave policies.

Institutions have supported families to enable parents to better share their responsibilities and to make more informed decisions regarding their participation in the labour market and how they engage with the social security system. Some have invested in more and better childcare services by developing digital applications, such as the Happy Daycare app in Portugal, and by helping to improve the supply and maintenance of day-care places, as in France. Finland's Social Insurance Institution (*Kansaneläkelaitos* – Kela) has developed a tool to enable parents to maximize their joint income under situations of shared family leave. In France, the National

Family Allowance Fund (*Caisse nationale des allocations familiales* – CNAF) has developed interactive platforms presenting a catalogue of existing services, which includes assisting parents as well as families experiencing separation. In Poland, the Social Insurance Institution (*Zakład Ubezpieczeń Społecznych* – ZUS) developed Family Support Services to facilitate the implementation of social security legislation aimed at improving access to social security benefits and services.

Across the region, institutions are modernizing approaches to improve minimum income support to households and to address new risks and vulnerabilities. In this regard, Azerbaijan's State Social Protection Fund has consolidated services to assign social benefits from a single centre to eligible low-income families without them having to visit any institution, while Kazakhstan's State Social Insurance Fund developed the Digital Family Card, which centralizes information about household well-being and reduces the administrative burden to access benefits.

## RESOURCES

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- Publication. World Social Protection Report 2020–22: Social protection at the crossroads – in pursuit of a better future
- Publication. World Social Protection Report 2020–22: Regional companion report for Central and Eastern Europe and Central Asia
- Publication. COVID-19 and social protection in Europe and Central Asia
- Publication. Juggling work and childcare during COVID-19: How EU Member States supported working families in 2020
- Good practice. Family support services – Poland
- Good practice. Developing and harmonizing childcare coverage: Building on comprehensive territorial agreements and territorial bonus – France
- Good practice. The Happy Daycare App – Portugal
- Good practice. Interactive tool on having children – France
- Good practice. Implementing a service to help protect and create *crèche* places – France
- Good practice. Creation of a “parenting lab”: National roll-out of a local good practice – France
- Good practice. A modern humanistic approach to the assignment of social benefits in Azerbaijan: Proactive people-centred assignment mechanism – Azerbaijan
- Good practice. Digital Family Card – Kazakhstan



## Promoting employment by protecting people of working age

People rely on social security systems, especially when they experience unemployment, or other short-term risks, to provide adequate income security and to preserve a strong attachment to the labour market. Recent years have seen growing efforts at European regional and national levels to close unemployment coverage gaps and enhance protection for vulnerable and difficult-to-cover groups. For example, the European Council's recently approved Conclusions on Social Protection for the Self-employed calls for action to address gaps, notably in unemployment insurance. In France, Unédic (Unemployment Insurance) (*Unédic (Assurance chômage)*) has developed tools to enable national benchmarking from a regional perspective.

In general, countries in Europe continue to apply the lessons learnt from the COVID-19 crisis by combining unemployment benefits with well-developed active labour market policies, including programmes to support groups that experience specific challenges in accessing the labour market. For example, Albania has implemented special

protection for unemployed women, institutions in France have developed joint initiatives to identify and support self-employed workers in difficulty, and Türkiye has implemented the "Women-Up" project to support registered employment among women.

Several countries have leveraged digital and online tools to better link services for people experiencing unemployment or under-employment. For example, Azerbaijan introduced an electronic platform to streamline job searching, hiring, and employment regulation; two Belgian institutions have jointly developed a generic and reusable case management platform which can be deployed across government agencies; France's Unédic launched a new comprehensive website; Kazakhstan has created an electronic labour exchange as a single digital employment platform to facilitate job search and recruitment; and Malta is dealing with the non-take-up of in-work benefit through process transformation and automation.

### RESOURCES

- Publication. World Social Protection Report 2020–22: Social protection at the crossroads – in pursuit of a better future
- Article. European unemployment insurance and macroeconomic stabilisation: Are permanent fiscal transfers between States needed?
- News. Social protection for the self-employed: Council calls for action to address remaining gaps
- Good practice. Benchmarking for international unemployment insurance systems – A decision support tool – France
- Good practice. The new unedic.org website: Improving accessibility and mobile use – France
- Good practice. Harmonizing exchanges between partners: The coordinated social security offer to support self-employed workers in difficulty – France
- Good practice. Unified Labour and Employment Subsystem – Azerbaijan
- Good practice. Interinstitutional re-use of case management: When a project transforms into a product, and thereby meets the needs of multiple government agencies – Belgium
- Good practice. Electronic labour exchange – Kazakhstan
- Good practice. Sharing family leave between parents: Focus on the facts – Finland
- Good practice. The special protection to unemployed women: Coverage with social security elements of unemployed women due to the need to care for minor children – Albania
- Good practice. Digitalization of the In-Work Benefit Scheme: A key labour market incentive – Malta
- Good practice. Operation on supporting registered women employment (Women-Up) – Türkiye



## Ensuring safe and healthy workplaces and capable workforces

Occupational safety and health (OSH) in Europe is a multifaceted and evolving domain aimed at safeguarding workers' well-being. Europe has implemented comprehensive measures to enhance workplace safety, mitigate risks from occupational hazards and proactively support rehabilitation.

There is a concerted effort in Europe to adopt a holistic approach to OSH through Vision Zero, a strategy of the International Social Security Association adopted by the European Union and implemented in numerous European institutions. For example, the Finnish Institute of Occupational Health (*Työterveyslaitos*) runs a Vision Zero Forum for companies and Poland's Agricultural Social Insurance Fund (*Kasa Rolniczego Ubezpieczenia Społecznego*) organizes Vision Zero Film Awards. Luxembourg's Accident Insurance Association achieved a 15 per cent reduction in the incidence rate for work-related accidents.

Across the region, social security institutions have spearheaded prevention-oriented programmes. In France, the National Sickness Insurance Fund (*Caisse nationale d'assurance maladie – CNAM*)

launched a programme that includes prevention as an integral part of any tender to win a contract in the construction sector. Italy's National Institute for Insurance against Accidents at Work (*Istituto Nazionale per l'Assicurazione contro gli Infortuni sul Lavoro – INAIL*) has developed a programme to address psycho-social risks among health care workers.

Institutions have also taken advantage of technological solutions to support the rehabilitation process. For example, Azerbaijan's Agency for Sustainable and Operational Social Security (DOST) has introduced an Electronic Rehabilitation System to streamline the rehabilitation reporting processes and monitor individual success. The German Social Accident Insurance Institution for the foodstuffs and catering industry (*Berufsgenossenschaft Nahrungsmittel und Gastgewerbe – BGN*) has introduced a rehabilitation system supported by artificial intelligence that monitors the recovery processes after work accidents, and which also predicts the degree of incapacity for work.

### RESOURCES

- Publication. EU strategic framework on health and safety at work 2021-2027
- Good practice. My Vision Zero Youth Short Film Competition – Poland
- Good practice. Regional Vision Zero Forum networks – Finland
- Good practice. Vision Zero: A national strategy towards a culture of prevention in Luxembourg – Luxembourg
- Good practice. Building and Public Works Sectoral Programme: Working with project managers from the initial design phase of construction projects – France
- Good practice. Addressing psychosocial risks in health care sector: Developments of methodology for work-related stress risk tailored to the health care professionals – Italy
- Good practice. Electronic system on Individual Rehabilitation Programme – Azerbaijan
- Good practice. AI-supported monitoring and controlling of recovery processes after work accidents: Automatic ICD-10 code extraction and derivation of Weller-Keys – Germany

## Investing in healthy societies over the life course

Most European countries prioritize universal health coverage, often through comprehensive insurance or publicly funded systems. Ongoing reforms across the region aim to address challenges such as ageing populations and rising costs, and to reinforce robust health care systems in the aftermath of the COVID-19 pandemic.

In the region, long-term care (LTC) systems are adapting to ageing populations and a growth in the prevalence of chronic conditions, emphasizing home and community-based services over institutional care. Responding to a growing preference for staying at home, there is a notable shift toward home-based LTC services, as illustrated by the introduction of mobile home-based care by Azerbaijan's DOST.

Preventive measures remain a priority for health systems in the region. Initiatives in Belgium and France have focused on environmental health and mental health awareness. There is growing recognition of the need for collaborative efforts to reduce the carbon footprint and improve the environmental sustainability of the health care sector.

Organizations are actively pursuing digitalization and tech-driven solutions to create efficient health care and related cash benefit systems. For example, in Türkiye, cash benefits are efficiently processed through direct deposits, simplifying the payment procedure, while an online verification system guarantees prompt and accurate transactions for insured individuals from countries with which it has international social security agreements. Also in Türkiye, the Universal Health Insurance Online Application System for International Students streamlines requests for universal health insurance online, saving time and resources while enhancing overall coverage.

Finally, addressing challenges related to data security and privacy in health care is essential for establishing trust and requires collaboration among health care providers, social security institutions and information technology experts.

## RESOURCES

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- ISSR Special Issue. The human right to long-term care for the elderly: Extending the role of social security programmes
- ISSA-ILO Publication. Long-term care in the context of population ageing: A rights-based approach to universal coverage
- Publication. The impact of demographic change in a changing environment
- Publication. Long-term care report: Trends, challenges and opportunities in an ageing society (Volume I)
- Publication. Health at a glance 2023: OECD indicators
- ISSA Webinar. Social security, health care and environmental protection
- ISSA Webinar. Social security, health care and environmental protection – Gaps and strategies
- ISSA Webinar. Stepping up environmental protection in health care
- Good practice. DOST Services: Home-based care – At your service everywhere – Azerbaijan
- Good practice. Preventing exposure to endocrine disruptors: Good habits today for good health tomorrow – France
- Good practice. Sentinels who give wings for preventive social security: A multifactorial initiative of shared inspiration between Belgium (Solidaris) and France (CCMSA) – Belgium and France
- Good practice. Electronic system on Individual Rehabilitation Programme – Azerbaijan
- Good practice. RehaPlus: Identifying complex rehabilitation cases more quickly thanks to artificial intelligence – Germany
- Good practice. Meine-Rehabilitation.de: Public reporting by the German Federal Pension Insurance – Germany
- Good practice. Digitalization of in-cash healthcare payments and temporary incapacity allowances to individuals – Türkiye
- Good practice. Social Security Agreements Healthcare Entitlement Verification System (YUPASS) – Türkiye
- Good practice. Universal health insurance online application system for international students – Türkiye

## Building better systems to support ageing societies

The European continent is experiencing accelerated ageing, leading to an increase in the number of pensioners who increasingly need specific day-to-day services. A positive population growth rate is no longer guaranteed in much of southern and eastern Europe, with major consequences for the financial sustainability of social security institutions. Ensuring sustainability, while supporting the development of new services associated with the “silver economy” is therefore essential.

Organizations are actively engaged in preparing for the consequences of ageing by addressing contributory capacity and revenue generation. Innovative solutions include the Knowledge Discovery in Databases (KDD) tool in Belgium, which facilitates checks on formal employment, prevents fraud and ensures that social security funds are properly collected. To help maintain the contributory capacity of an ageing workforce, an appropriate prevention policy

should be developed, such as the “TMS Pro” to address musculoskeletal problems adopted by France’s CNAM.

Social security organizations are also adapting their services to a growing user-base characterized by the individualization of needs and the availability of technologies that help prevent people from becoming isolated. Many are employing ICT solutions. For example, in Belgium, to address lower digital literacy and declining capacities in old age, a digital mandate system enables a relative of a pensioner to carry out the necessary formalities online. The social services portal in Kazakhstan gives people with disabilities, a growing share of whom are also older, rapid access to technical rehabilitation resources. In Sweden, an online quick pension guide helps people better understand how to build their pension rights, while also encouraging people to stay active and continue contributing.

## RESOURCES

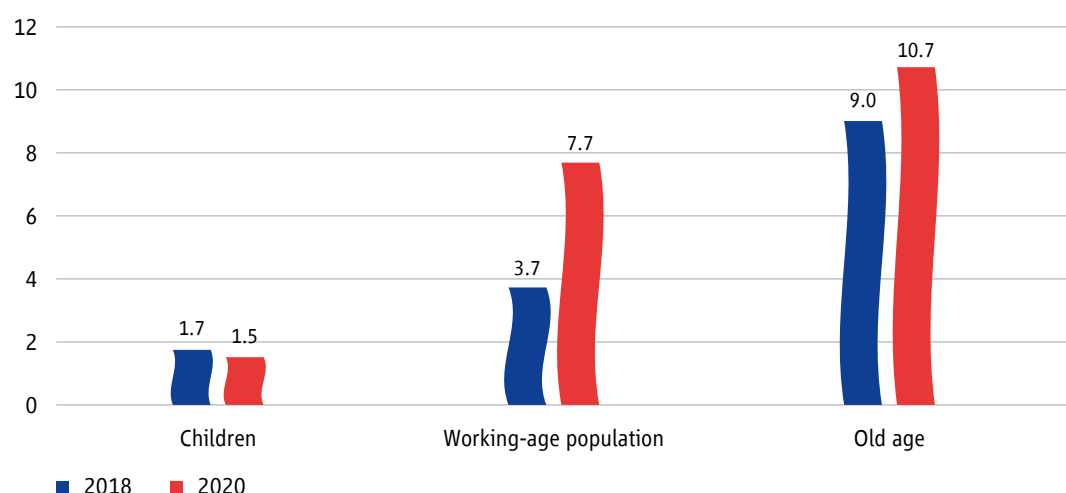
- Good practice. KDD tool: An online tool to improve detection of social security fraud – Belgium
- Good practice. A digital mandate for mypension: Citizens helping one another online to bridge the digital divide – Belgium
- Good practice. “TMS Pros”: An enhanced process to help companies reduce the impact of musculoskeletal disorders and lower back pain – France
- Good practice. Setting up improved social security front office services at the heart of the regions Providing support to all insured persons from one single location – France
- Good practice. Social services portal – Kazakhstan
- Good practice. Holistic approach for the pension award process with new, client-targeted digital services – Greece
- Good practice. Single person’s benefit – Lithuania
- Good practice. Quick Pension Guide (*Snabbkoll på din pension*) – Sweden
- Good practice. Automatic payment of funeral grants for survivors of civil servant – Türkiye
- Good practice. Pilot programme: Reduce the non-utilization of AIO supplement intended as income support for individuals of AOW pension age – Netherlands
- Good practice. Using the VIVESS app to receive proof of life from those living abroad – Spain



# Facts & trends

## Social protection expenditure

**Figure 1.** Public social protection expenditure by broad age group, evolution 2018–2020 or latest available year (% of GDP)



*Note:* The total social protection expenditure (excluding health care) does not always correspond to the sum of expenditures by age group. It depends on data availability, source and year and inclusion of non-age-group-specific expenditures. Public social protection expenditure global and regional aggregates are weighted by GDP. See Annex 2 of ILO (2022) for methodological explanation.

### Sources

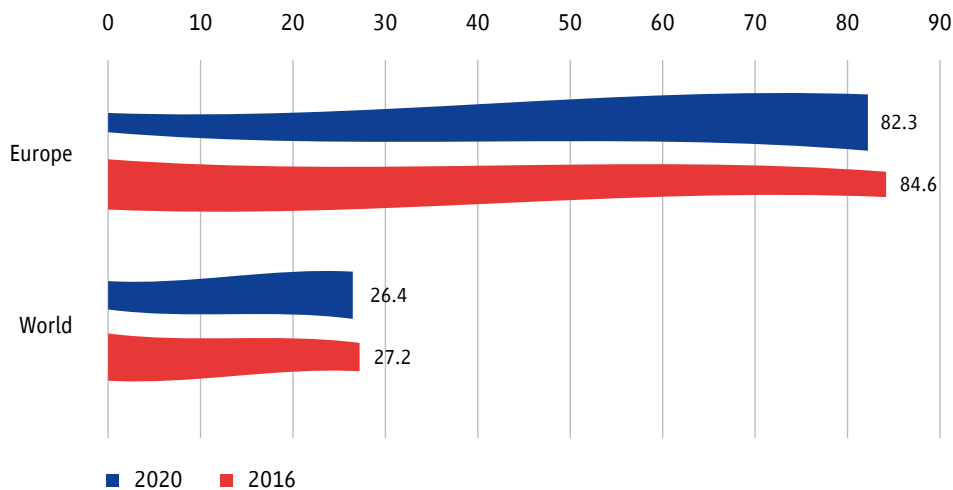
ILO (2017, Fig. 6.41 and 2022).

### Key stats

- According to recent data, average social protection expenditure (excluding health) in Europe stood at 17.4% of GDP, surpassing the global average of 12.9%. There is significant variability across the region, with nearly 40% of European countries allocating less than 12% of their GDP to social protection.  
[ILO \(2022\)](#).
- Since 2018, public expenditure to finance benefits for the working-age population in Europe almost doubled, increasing from 3.7% to 7.7% of GDP. Meanwhile, there has been a slight reduction in expenditure for children, decreasing from 1.7% to 1.5% of GDP.  
[ILO \(2021b, p. 4 and 2022\)](#).
- Expenditure on pensions and other benefits for older people in Europe increased in 2020 and accounted for 10.7% of GDP on average. Large variations across countries exist: 30.2% of surveyed countries (13 out of 48) report having spent at least 10% of their GDP on financing benefits for older people.  
[ILO \(2021a, p. 176 and 2022\)](#).

## Protection of children

**Figure 2.** Percentage of children 0–15 years receiving child or family cash benefits, 2020 or latest available year

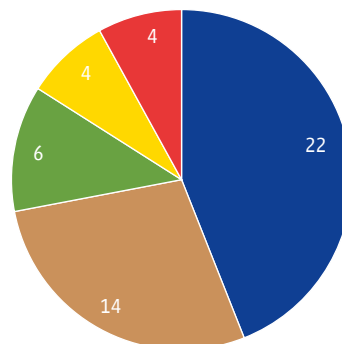


**Source**

ILO and UNICEF (2023, p. 30).

**Figure 3.** Number of countries with child and family protection (cash benefits) anchored in law, by type of scheme, 2020 or latest available year

- Non-contributory only - Universal and social assistance
- Non-contributory only - Universal
- Non-contributory only - Social assistance
- Contributory only - Social insurance
- Social insurance with non-contributory scheme
- No programme anchored in legislation



**Source**

ISSA (2024).

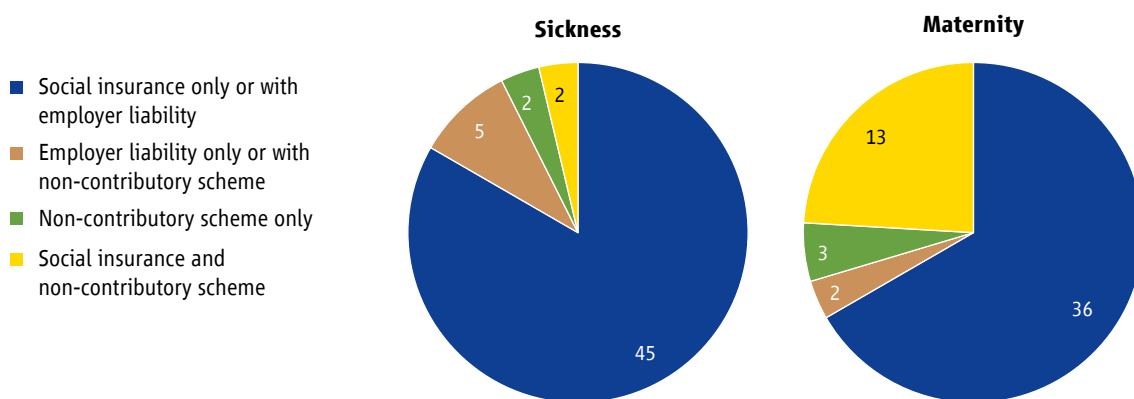
**Key stats**

- Only two of the 57 countries surveyed in Europe have no national statutory cash benefit for children and families.  
ISSA (2024).
- In Europe, 36 of the 57 countries surveyed have programmes providing universal child or family benefits anchored in their national legislation.  
ISSA (2024).

- As is also the case globally, there has been a halt or decline in progress towards expanding coverage for children in Europe in recent years. However, in countries with universal child benefits, coverage has remained stable, providing essential support to households with children.  
[ILO and UNICEF \(2023, p. 29\)](#).
- Nearly 11 million children aged 0 to 17 years in Europe live with a disability, accounting for 1 in 17 children across the region. Several countries provide subsidies or fee waivers to children with disabilities to facilitate access to services.  
[UNICEF \(2019, p. 3; 2023\)](#).
- In certain countries, child-focused policies are predominantly based on targeting poverty, leaving many vulnerable children without coverage.  
[ILO \(2021c, p. 24\)](#).

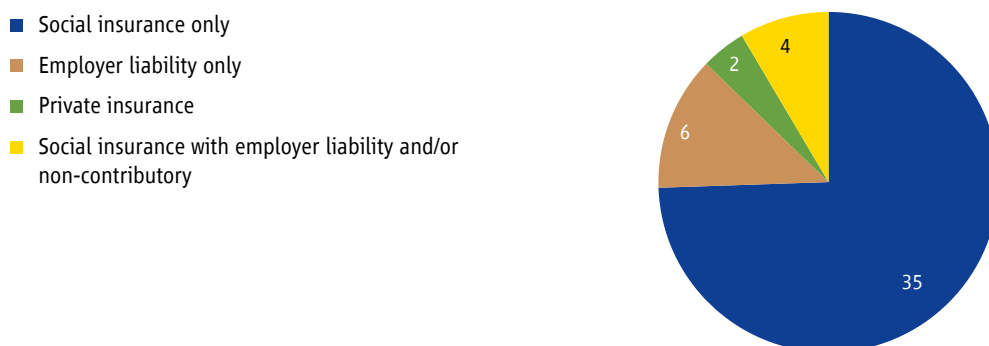
## Protection of the working-age population

**Figure 4.** Number of countries with sickness and maternity protection (cash benefits) anchored in law, by type of scheme, 2020 or latest available year



**Source**  
[ISSA \(2024\)](#).

**Figure 5.** Number of countries with work injury protection (cash benefits) anchored in law, by type of scheme, 2020 or latest available year

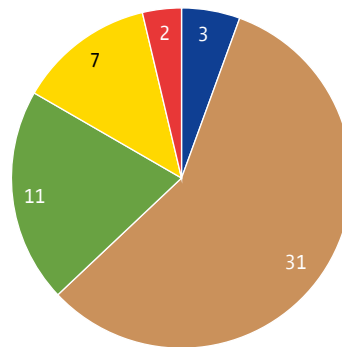


**Source**  
[ISSA \(2024\)](#).



**Figure 6.** Number of countries with unemployment protection (cash benefits) anchored in law, by type of scheme, 2020 or latest available year

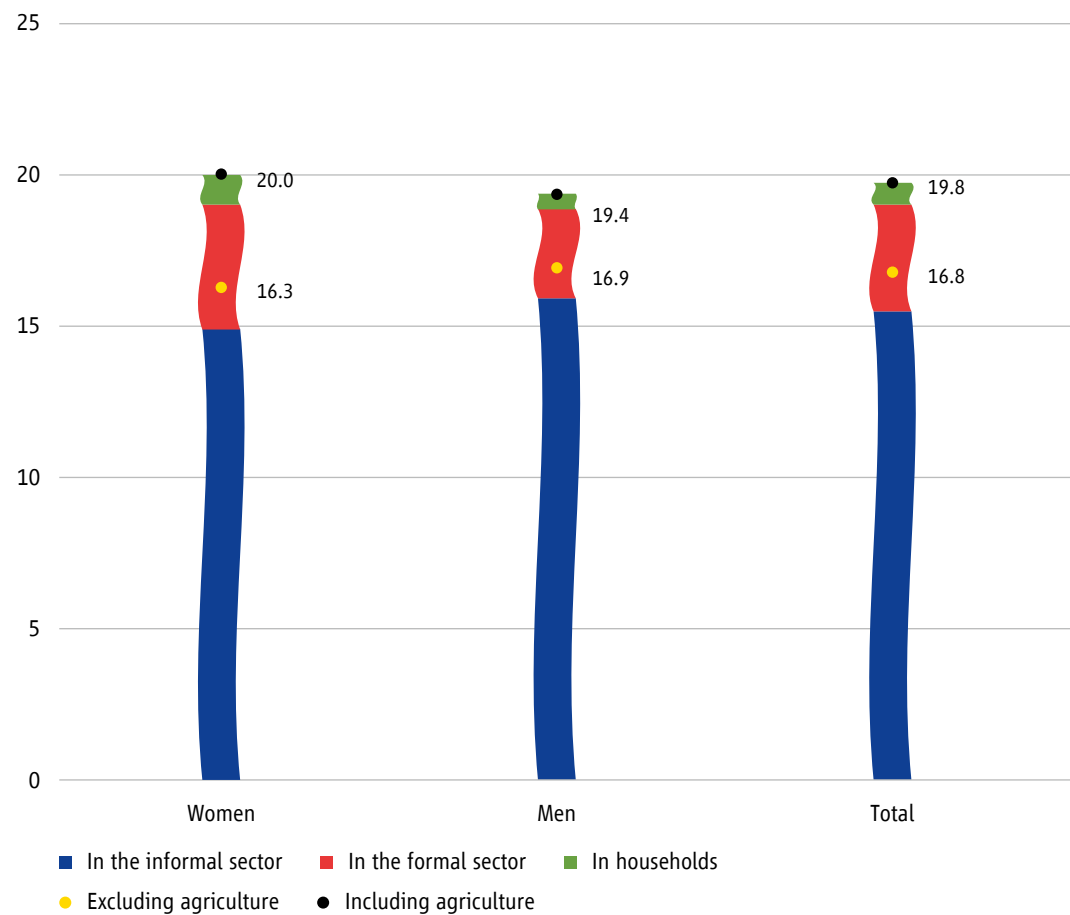
- No statutory scheme or severance payment
- Social insurance only
- Social insurance with non-contributory scheme
- Non-contributory scheme only
- Other



**Source**

ISSA (2024).

**Figure 7.** Percentage of informal employment in total employment, including and excluding agriculture



**Sources**

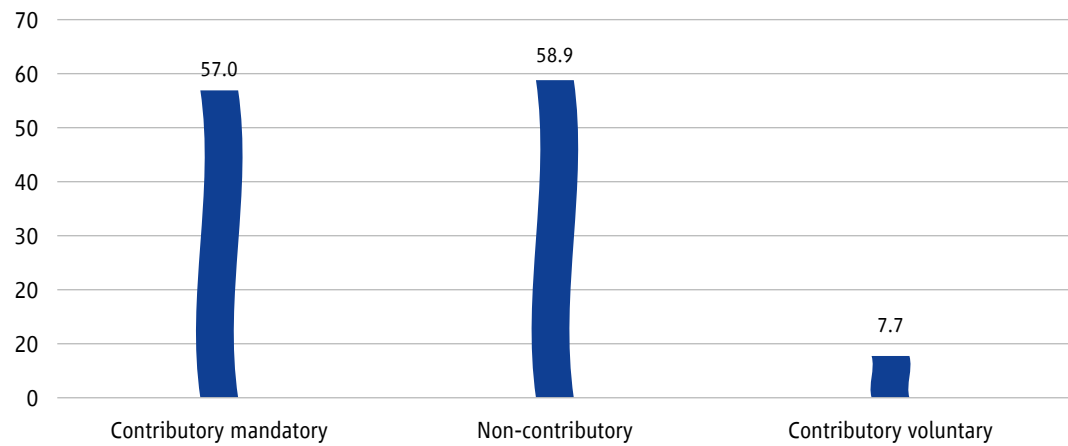
ILO (2023a, p. 108).

### Key stats

- *Maternity benefits:* Most countries (36 out of 57) rely on social insurance programmes, either exclusively or through a combination with employer liability programmes, or with non-contributory programmes, to administer cash maternity benefits. Currently, 80.9% of women in the labour force are legally entitled to maternity benefits through contributory systems: 80.1% through mandatory programmes and 0.8% through voluntary programmes.  
[ISSA \(2024\) and ILO \(2022\)](#).
- *Sickness benefits:* Most countries in Europe have implemented social insurance programmes (with or without an employer liability component) to finance paid sick leave. Only five countries rely entirely on systems in which only employers are required to provide cash benefits in the event of sickness. In the region, 87.5% of the labour force is legally covered by mandatory contributory programmes, and 6.2% by voluntary contributory programmes.  
[ISSA \(2024\) and ILO \(2022\)](#).
- *Employment injury benefits:* For protection against income loss resulting from work-related accidents and diseases, the primary funding mechanism for benefits in most countries is social insurance, although some countries retain elements of employer liability.  
[ISSA \(2024\)](#).
- *Unemployment benefits:* Out of 57 surveyed countries in Europe, only three have no statutory unemployment provisions, while 42 countries have implemented social insurance programmes, either exclusively or in conjunction with a non-contributory scheme.  
[ISSA \(2024\)](#).
- *Informal employment:* Although less prevalent than in other global regions, informal employment remains a challenge for certain segments of the population in Europe, with implications for access to social security and benefits adequacy. In Europe, 20% of the employed population is engaged in informal employment, a percentage that drops to 17% when agriculture is excluded. In certain countries, informal employment is significantly higher.
- At the regional level, the rates of informal employment for men and women are similar, despite variations across subregions.
- Approximately 80% of informal jobs are in the informal economy, 18% in the formal economy and less than 4% in households. If agriculture is excluded, the proportion of informal employment in the formal economy rises to 21%.  
[ILO \(2023a, p. 108\)](#).

## Protection of people in old age

**Figure 8.** Percentage of the working-age population aged 15+ legally covered by old-age pensions, by type of scheme, 2020 or latest available year

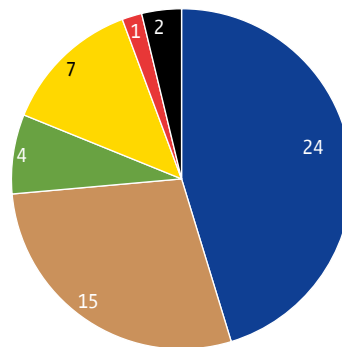


**Source**

ILO (2022).

**Figure 9.** Number of countries with old-age programmes in Europe, by type of programmes, 2022 or latest available year

- Social insurance (with non-contributory programme)
- Social insurance and individual account (with or without non-contributory programme)
- Social insurance and occupational pension (with or without non-contributory programme)
- Social insurance only
- Individual account (with non-contributory programme)
- Occupational pensions (with or without non-contributory programme)

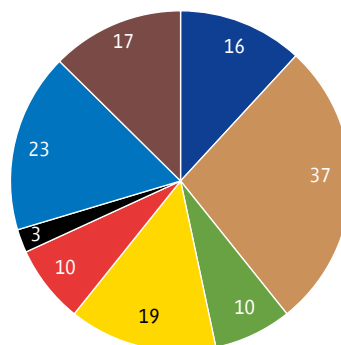


**Source**

ISSA (2024).

**Figure 10.** Number of old-age programmes in Europe by benefit calculation rules, 2022 or latest available year

- Defined-contribution (DC) benefit
- Flat-rate amount
- Notionally defined-contribution (NDC) benefit
- Progressive amount
- DB Points scheme
- Calculation based on % of another pension
- Wage-replacement rate
- Other (combination of several components)



#### Source

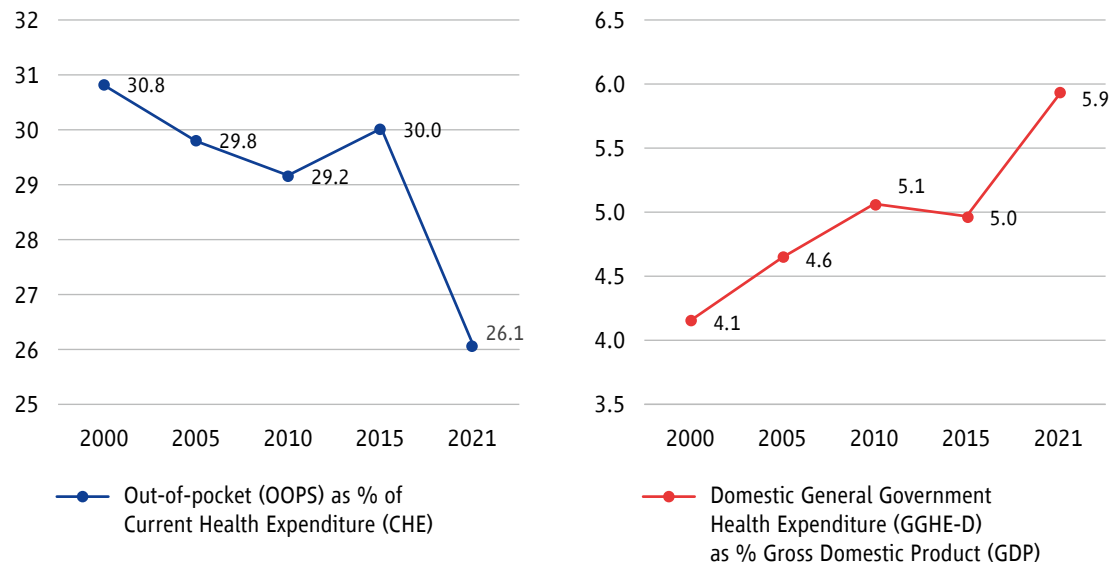
ISSA (2024).

#### Key stats

- In 2022, 57% of the European workforce was legally covered by contributory mandatory old-age benefits. Social insurance programmes accompanied by a non-contributory scheme accounted for 45.3% of old age programmes in the region, while social insurance schemes accompanied by (mandatory) occupational pensions or by individual accounts represented 7.5% and 28.3% of programmes, respectively.  
[ISSA \(2024\)](#) and [ILO \(2022\)](#).
- In 2022, 58.9% of the workforce in Europe was legally covered by non-contributory old-age benefits. Of the 49 countries that provide social pensions, 35 countries offer means-tested (social assistance) benefits, and 18 countries provide universal pensions.  
[ISSA \(2024\)](#) and [ILO \(2022\)](#).
- National legal frameworks often allow for voluntary participation in pension schemes, but this option was only available to 7.7% of the working-age population in Europe.  
[ILO \(2022\)](#).
- In the European Union (EU), pension income represents one third to more than two-thirds of work incomes during the late-career stage. This replacement ratio is consistent at the EU level. As working-age incomes increase, the income of older people falls in comparison to that of younger generations.  
[EPRS \(2023\)](#).

## Protection across the life course

**Figure 11.** Health protection expenditure: Evolution of out-of-pocket expenditure as % of current health expenditure and domestic general government health expenditure as % of GDP in Europe, 2000–2021



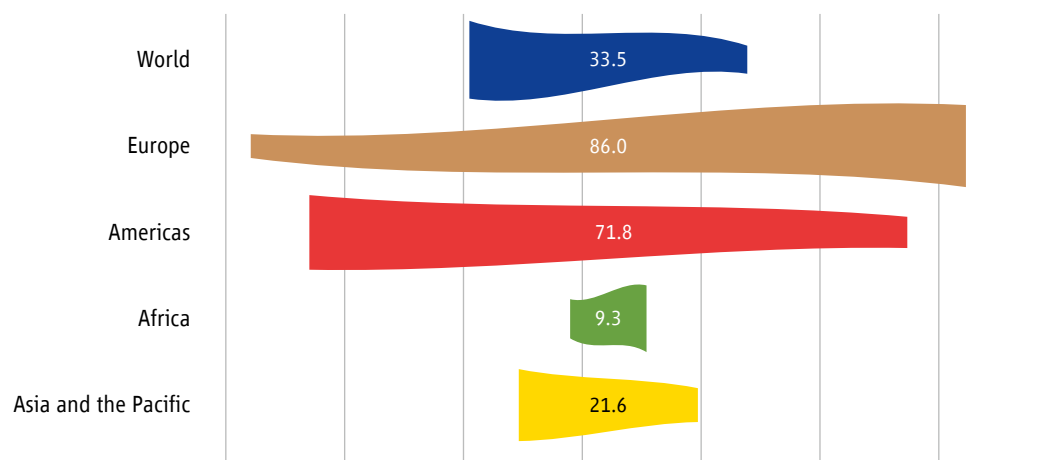
### Source

WHO (2023b).

### Key stats

- Across the European Union (EU), on average, approximately 15% of health care spending is directly borne by patients through out-of-pocket (OOP) payments. This vulnerability is particularly pronounced among poorer households and those responsible for covering the costs of long-term treatment. [OECD \(2022, p. 176\)](#).
- Per capita health spending in EU countries rose by over 5% between 2019 and 2020, the highest rate in nearly two decades. In terms of health care financing, government and compulsory schemes constituted approximately four-fifths of total health spending across EU countries in 2020. [OECD \(2022, p. 128\)](#).

**Figure 12.** Percentage of persons with severe disabilities receiving cash benefits, 2020 or latest available year



#### Source

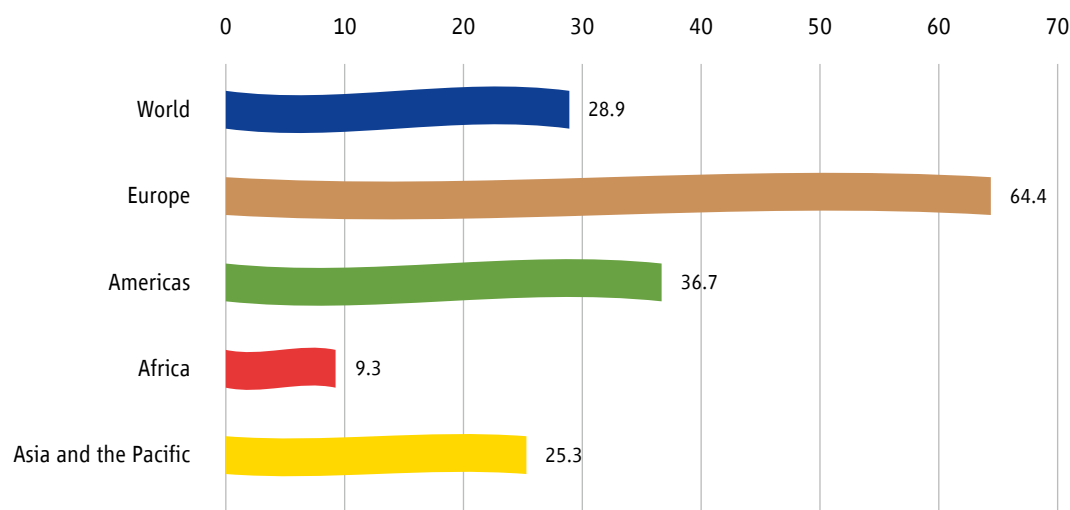
ILO (2021a, Fig. 4.23).

#### Key stats

- In 2020, 51.2% of the labour force aged 15+ were legally covered by non-contributory disability programmes.  
[ILO \(2022\)](#).
- As a result of fiscal consolidation following the financial crisis of 2008–2010, several countries have reduced expenditure on disability benefits. This has been achieved, for example, by introducing means tests for benefits that were previously universal.  
[ILO \(2021a, p. 145\)](#).
- In Europe, 42.3% of the total population have at least one condition that would require rehabilitation services.  
[WHO \(2022, p. 18\)](#).
- In Europe, contributory schemes are less likely to cover women with disabilities compared to men, even though the proportion of women with disabilities is higher (29.5%) as opposed to men (24.4%). These gender disparities are somewhat compensated by the provision of non-contributory benefits; however, these frequently offer lower benefit levels.  
[ILO \(2021a, p. 142\)](#) and [Council of the European Union \(2023a\)](#).
- According to Eurostat estimates, in 2022, approximately 27% of people aged 16+ in the European Union (EU) had a disability, which corresponds to one in four adults in the EU.  
[Council of the European Union \(2023a\)](#).

## Protection of vulnerable groups

**Figure 13.** Percentage of vulnerable persons receiving cash benefits (social assistance), by region, 2020 or latest available year



### Source

ILO (2021a, p. 48).

### Key stats

- To attain a decent standard of living, many people require assistance beyond individual transfers for specific contingencies throughout their lives. In 2020, 64.4% of vulnerable people in Europe received social assistance cash benefits.  
[ILO \(2021a, p. 48 and 2022\)](#).
- In many countries of the region, social assistance programmes are primarily linked to tax-funded, short-term benefits designed for the poorest. There are high subregional variations in coverage of vulnerable populations through social assistance, ranging from 95.8% to 30.7%.  
[ILO \(2022\)](#).
- In general, the COVID-19 pandemic increased the focus on protecting workers and revealed that existing social assistance programmes, intended to enhance the income security of vulnerable people, fell short of expectations.  
[ILO \(2022\)](#).
- The full impact of the energy price crisis on income security and employment in Europe is not yet known.  
[ILO \(2023b, p. 77\)](#).

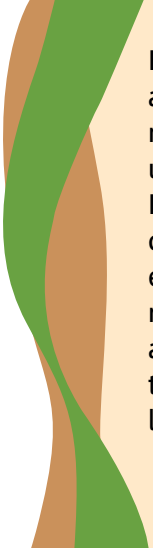
## Key messages

# 01



The rising prevalence of atypical families and family ruptures, together with changing career patterns, heighten the socioeconomic vulnerability of many households across Europe. This has led governments and institutions to adopt policies and tools to improve support to children and families, including services to enhance cash, care and paid leave policies.

# 02




Europe has enhanced its efforts at the regional as well as national levels to close unemployment coverage gaps. Increasingly well-coordinated cash benefits, care and employment policies across the region ensure that workers in all types of employment can thrive in increasingly dynamic labour markets.

# 03



Through initiatives such as Vision Zero and a growing emphasis on technologically driven solutions, institutions in Europe have implemented comprehensive measures to enhance workplace safety, mitigate risks from occupational hazards and proactively support rehabilitation.

# 04



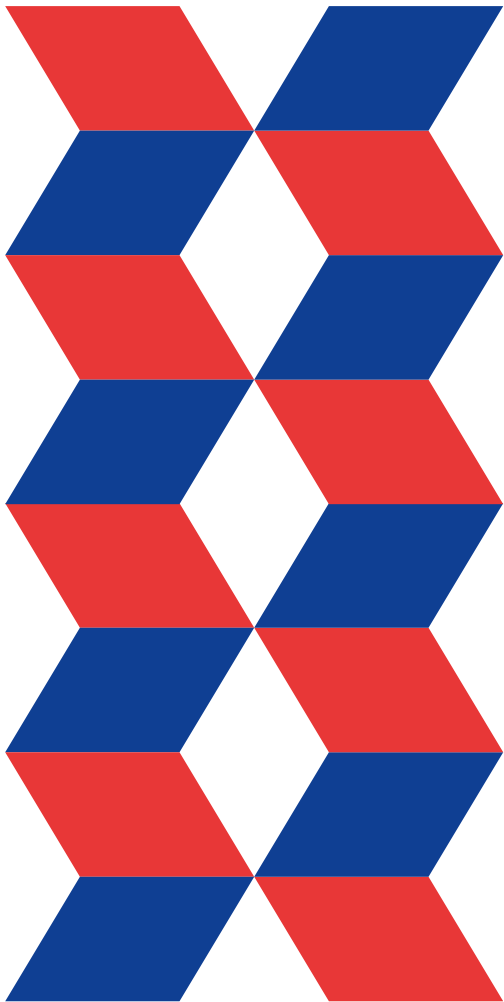
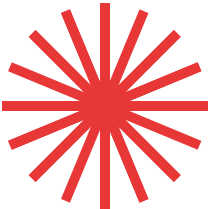
European health systems are implementing ongoing reforms to address challenges such as ageing populations and rising costs, including preventive measures and collaborative efforts to reduce the health care sector's carbon footprint. Many institutions are pursuing digital solutions while addressing data security and privacy challenges.



# 05



Social security systems are preparing for continuing demographic ageing by addressing the contributory capacity of their populations and adapting their services to a growing user-base characterized by the individualization of needs and the availability of new technologies to support independent living.



# Resilience

Promoting resilience and sustainability  
in uncertain times



# Promoting resilience and sustainability in uncertain times

## Introduction

Social security systems play a fundamental role in supporting individual, economic and societal resilience in Europe. To play that role effectively, social security systems must be financially and administratively resilient. They must be supported by strong, responsive and flexible institutions able to cater to the rapidly evolving needs of their populations in increasingly turbulent contexts, combining conventional and innovative solutions.

Among the main challenges is demographic ageing. According to recent estimates, the population of the European Union (EU) will peak in 2026 and then begin to decrease, resulting in a drastic shrinking of the labour force and dramatic pressures on public budgets.

The implications for social security financing are tremendous. Sizeable gaps will impact on the ability of schemes to deliver fully on their future benefit commitments and may render them unsustainable in the long term if no action is taken.

Various solutions have been implemented to close these gaps, including holistic reforms of social security systems, enhancements to contributory revenue, and increasing tax revenue and optimizing investment returns. However, for social

security systems to be politically sustainable, there is growing recognition of the need to ensure that difficult reforms are well communicated, appropriately timed and implemented in a way that minimizes negative socioeconomic impacts.

Paradoxically, the efficacy of conventional solutions to ensure the sustainability of social security systems is being challenged by global trends that affect the region. The global economic, geopolitical, climate and environmental “polycrisis” that has converged in the wake of the COVID-19 pandemic, together with accelerating demographic, technological and labour market changes, continue to compound the challenges facing social security systems and the people they protect. These growing risks reduce fiscal space while simultaneously increasing the demand for benefits.

The sustainability of social security systems depends on finding creative and forward-looking solutions to these long-standing and emerging challenges. In response, governments, social security institutions and other actors across Europe are investing in the long-term resilience of their organizations, the populations they serve and the broader environment in which they operate.

## RESOURCES

- Publication. The fiscal impact of extreme weather and climate events: Evidence for EU countries
- Publication. Demographic change in Europe: A toolbox for action (Factsheet)
- Publication. Demographic Change in Europe: a toolbox for action (Communication from the Commission to the European Parliament, The Council, the European Economic and Social Committee and the Committee of the Regions)



# Synthesis of the main trends and developments

## Striking a delicate balance between affordability, adequacy and sustainability

The old-age dependency ratio in Europe is forecast to grow from 33 per cent in 2023 to 60 per cent by 2100. *Ceteris paribus*, the costs of financing existing levels of benefits will almost double over this time horizon.

To address this, a large number of reforms have started or are already being implemented across the region. France, Ireland, Sweden, Switzerland and the United Kingdom have taken steps to effectively increase their normal retirement ages or to continue implementing legislative increases to the normal retirement ages. These changes have typically been packaged with other reform measures that are critical for ensuring sustainable and adequate levels of coverage to the most economically vulnerable.

Countries are also seeking to encourage people of pensionable age to remain in active employment whilst deferring receipt of benefits. Countries such as Austria, Belgium, Croatia, Denmark and Ireland have all implemented incentives for delaying retirement or effected penalties on early retirement, thus encouraging longer labour

force participation. These reforms aim to lengthen contributory periods and reduce the time over which benefits are paid.

Most countries implementing these major reforms have also included measures to address other system deficiencies and inequalities whilst cushioning the impact on the public in the short term. Some examples include Belgium, France and Ireland. Belgium has included a gradual increase in minimum monthly pensions, bonuses for long-career workers and increases to some survivors' benefits. In France, changes to the retirement age have been accompanied by an increase in the minimum monthly contributory pension and a pension supplement for qualified parents. Ireland is to credit contributions to individuals who leave the labour force to provide long-term care. When viewed in isolation, these measures result in a higher benefit pay out in the near term. When viewed as a part of the entire reform package, they help to address inequalities and incentivize public support, thereby contributing to more sustainable systems in the long term.

## RESOURCES

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- ISSA Publication. Priorities for social security: Trends, challenges and solutions – Europe 2022
- Publication. Demographic change in Europe: A toolbox for action (Factsheet)
- Publication. Sustainable financing of social protection: Technical paper prepared for the 1st meeting of the Employment Working Group under the Indian presidency
- Article. The share of elderly people continues to increase
- Article. The 2023 France pension reform
- Article. Belgium announces pension reform agreement
- Website. Changes to the State Pension (Contributory)
- Website. Retraite anticipée pour carrière longue du salarié
- Article. Projet pour l'avenir du système de retraites: ce qu'il faut retenir
- Article. France enacts Pension Reform Law
- Press release. [Retirement age for year 2029 decided] (in Swedish)
- Article. Sweden implements retirement age changes
- Article. The AHV 21 reform: What's new?
- Article. Switzerland approves women's retirement age increase
- Website. Old-age pension
- Article. Ireland approves State Pension Reform Package
- Website. Changes to the State Pension (Contributory) in Ireland
- Article. Austria implements pension reforms
- Website. Neuerungen seit 2022
- Press release. Frühstarterbonus – Pensionszuschuss für Menschen, die früh zu arbeiten begonnen haben
- Website. Réforme des pensions 2021-2024
- Publication. Reform of the statutory pension scheme in Belgium
- Article. Denmark eliminates earned income offsets
- Website. [National pension] (in Danish)



## Reinforcing revenues through contributions and taxes

Social security systems in Europe have sought to increase revenues by strengthening contribution and tax collection and compliance capacities at the national level and across borders.

Some countries have increased contribution income by directly increasing the contribution rates, as in Ireland. France and Spain have sought to boost contribution revenue by extending coverage to difficult-to-cover groups, leveraging their existing collection capacity to implement special systems for these groups. Institutions in France and Spain have also implemented solutions to ensure compliance, creating portals to facilitate domestic workers and self-employed workers to register and contribute while simultaneously implementing fraud detection systems using data analytics and data exchange with other public agencies.

Directly raising tax rates and improving compliance can help close financing gaps, provided tax reforms consider the fundamental principles of social security, including wage-relevance and

universality. Additional state revenues can be used to offset any financing gaps in existing benefits, subsidize contributions for difficult-to-cover and low-income groups and address other existing inequalities within social security systems. Despite this, many countries have reduced corporate tax rates.

Tax revenue can also be increased by combating illicit financial flows and international tax evasion. Illicit financial flows are estimated to represent up to 6 per cent of national GDP in some countries of Europe, compared with the global average figure of 3 to 5 per cent of global GDP.

Finally, cooperation between tax authorities and social security institutions can mutually reinforce revenue collection, especially for difficult-to-reach populations, such as self-employed workers. In Estonia, France and Serbia, simplified tax and social security arrangements have been implemented to collect both general tax and social security revenues.

### RESOURCES

- ISSA Analysis. Social security for the self-employed in Europe: Progress and developments
- Publication. Sustainable financing of social protection: Technical paper prepared for the 1st meeting of the Employment Working Group under the Indian presidency
- Publication. Pensions at a glance 2023: OECD and G20 Indicators
- Article. Estimating international tax evasion by individuals
- Article. Cash is king: Impact of the Ukraine war on illicit financial flows in South Eastern Europe
- Good practice. Importass: The new portal of Spain's General Treasury of Social Security – Spain
- Good practice. *Auto-entrepreneur*: An ultra-streamlined, 100 per cent digital system for registering, managing and declaring one's activities in a few clicks – France
- Good practice. Using the VIVESS app to receive proof of life from those living abroad – Spain
- Good practice. KDD Tool: An online tool to improve detection of social security fraud – Belgium
- Good practice. Mobility and international cooperation: A high-performance digital service to manage the international mobility of workers – France
- Good practice. Project on preventing fraudulence in the workplace and social security declarations – Türkiye



## Optimizing investment returns for pooled funds and individual accounts and promoting sustainable investments

For countries with established social security reserve funds, achieving an optimal risk or return ratio is of tantamount importance to the sustainability of the corresponding systems. This significance becomes highlighted as reserve funding ratios increase and investment income plays a bigger role in the financing of social insurance schemes, and it remains the primary concern for individual account systems. Many individual account schemes allow individuals to choose among investment portfolios of varying risk. For example, in Georgia and the Netherlands, there is flexibility in the choice of investment portfolio, with the ultimate goal of optimizing the risk versus return profiles of covered individuals.

Some investment decisions have long-term positive implications for the sustainability of systems. European pension schemes are

increasingly inclined towards socially responsible investing, which emphasizes environmental and social responsibility and corporate governance criteria in investment decisions as a means to support climate resilience and the green transition. For instance, the Fourth Swedish National Pension Fund is engaged on diversifying its portfolio across climate-friendly stocks to optimize returns, enhance the long-term sustainability of social protection systems and support the green transition. In addition, the French unemployment insurance scheme has incorporated the use of social bonds in its investment strategy. These investments are anticipated to create a trickle-down benefit as they enhance the country's economic development which will rebound to the benefit of the social security system.



### RESOURCES

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- Publication. Sustainable financing of social protection: Technical paper prepared for the 1st meeting of the Employment Working Group under the Indian presidency
- Publication. Pensions at a glance 2023: OECD and G20 Indicators
- Article. Georgia expands individual account investment options
- Article. European pensions go green for social, and bottom-line, benefits



## Building resilient labour markets in times of rapid transformation

As in much of rest of the world, labour markets in Europe are changing at a faster pace than ever before and in ways that fundamentally challenge the social security models constructed around them. To be sustainable, social security systems must be equipped to respond flexibly and comprehensively to lower wages, new forms of work, job transitions and increasingly fragmented working careers to ensure that workers in all forms of employment can realize their right to social security.

Countries in the region have employed a variety of tools to improve the situation of low-income workers, facilitate employment and manage career volatility. For example, to address low take-up of an income transfer for households with lower-income workers, Malta now automatically identifies eligible beneficiaries based on income tax returns and household characteristics. Eliminating the need to apply has increased takeup by threefold to reach 96 per cent. Social security institutions in Azerbaijan, Kazakhstan and Sweden have leveraged new technology to better connect workers to employment opportunities, a critical service in increasingly flexible labour markets. In Belgium, to better support people with fragmented careers, the National Employment Office (*Office national de l'emploi* – ONEM) has developed a system to

collect and analyse comprehensive longitudinal data on the employment and related socioeconomic situations of benefit recipients.

The rise of new forms of employment, such as digital platform work, have challenged the traditional configuration of European social security models while also creating opportunities for fairer and more sustainable financing arrangements and stakeholder representation. At the regional level, the EU has developed recommendations and draft directives to ensure that digital platform workers are appropriately classified and have full rights to social security. Some countries, such as Portugal, have found new ways of sharing financial responsibility for social security by defining some workers as “dependent self-employed”, triggering a contribution by contractors responsible for more than 50 per cent of the worker’s business. While self-employed workers have historically been barred from collective bargaining in the EU, the plight of platform workers has opened new avenues for social dialogue in Denmark, France and Germany, in some cases leading to new bargaining rights for self-employed workers. These developments will better equip social security administrations to understand and meet the needs of these workers in the future.

### RESOURCES

- Publication. Global Wage Report 2022-23: The impact of inflation and COVID-19 on wages and purchasing power
- Publication. World Economic Situation and Prospects 2024
- Good practice. Digitalization of the In-Work Benefit Scheme: A key labour market incentive – Malta
- Good practice. Automatic search strategy: Measures to increase jobseekers search efficiency – Sweden
- Good practice. Electronic labour exchange – Kazakhstan
- Good practice. Unified Labour and Employment Subsystem – Azerbaijan
- Good practice. Interinstitutional re-use of case management – Belgium
- Good practice. Handling the impact of fragmented career paths on social security: Dopflux’s data-driven insights for actuarial work – Belgium



## Addressing climate-related risks and natural disasters

Amidst the perennial challenge to improve the adequacy of benefits and enhance the financial sustainability of social security schemes, the negative socioeconomic impacts of climate change, extreme weather events and natural disasters have placed European social security systems under greater strain. These risks expose individuals and families to greater socioeconomic vulnerability, poverty and want, bringing about an increased demand for social security benefits and services. In Türkiye, for instance, the series of earthquakes that hit the country in February 2023 resulted in over 48,448 deaths and left over 3.3 million persons displaced and in need of humanitarian assistance and social security protection. The social security system was central to the response, providing a “short-time” working allowance, cash wage support and advance payment to health providers in affected regions.

At the same time, climate change affects both the economy and the environment, resulting in economic disruption and job losses, with implications for social security. The shrinking of fiscal space and exposure to rising financial and environmental risks impair the capability of governments and social security institutions to respond to the growing demand for benefits and

services. Without the development of alternative sources of energy, measures to achieve carbon-free economies – notably, fuel subsidy reforms and carbon taxation – will translate to carbon price hikes and inflationary pressures on essential goods and services. This will disproportionately affect poor and vulnerable population groups, culminating in higher societal inequalities and a greater need for social security. Equally, closures of sectors, such as coal mining, will impact occupational pension plans and reinforce the need for strong public pensions, while active labour market policies will be required to help workers cope with the economic restructuring associated with green transitions.

The policy response from the EU has been to strengthen resilience against climate change disasters with the goal of protecting people and the environment. Regulatory policy tools, such as the European Green Deal, aim to align EU laws with the EU’s climate goals, while alternative financing arrangements, such as the Solidarity and Emergency Aid Reserve (SEAR) support Member States to finance disaster response interventions. These tools help to create an enabling environment for social security to provide the vital support required for a just transition to greener economies.

### RESOURCES

- ISSA Analysis. Social security response to climate change and environmental degradation
- Publication. Guidelines for a just transition towards environmentally sustainable economies and societies for all
- Publication. Social protection and climate change
- Publication. Social protection in a changing climate: Making systems adaptive through climate information and early action
- Publication. Compensation for victims of climate change disasters
- Publication. Pathways for social protection in the just transition of low- and middle-income countries
- Publication. ITUC Economic and Social Policy Brief: The role of social protection in a just transition
- Article. Turkey: Measures taken in the field of labor and social security within the scope of the state of emergency

# Facts & trends

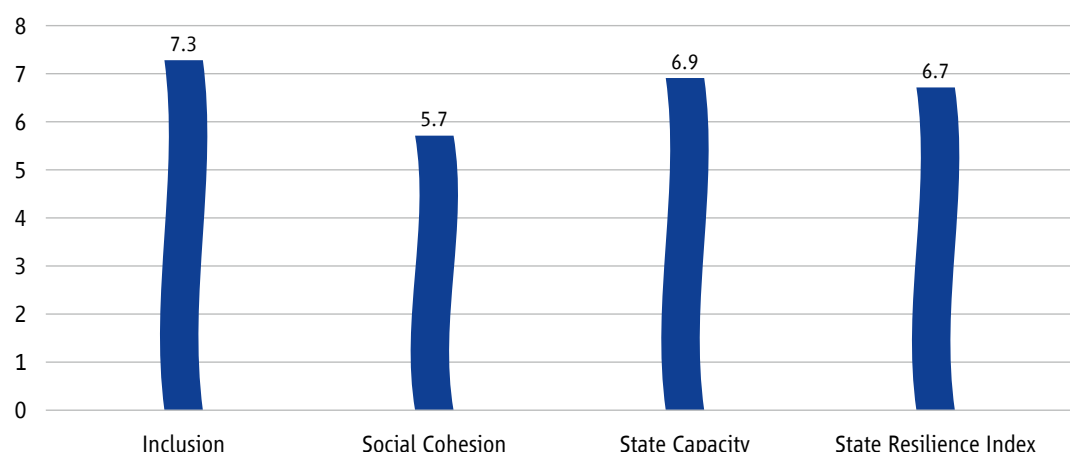
## Social security supporting resilience

The State Resilience Index (SRI) is a composite index measuring seven pillars of resilience: Inclusion, Social Cohesion, State Capacity, Individual Capabilities, Environment/Ecology, Economy and Civic Space. Each pillar is composed of several sub-pillars. In this publication, graphs present data on Inclusion, Social Cohesion, and State Capacity. The Inclusion component measures social, economic, and political inclusion by taking into account, among other elements, people's access to employment and protection against precarity. In addition to inclusion, solidarity is deemed essential for a resilient society: the Social Cohesion pillar seeks to assess institutional confidence and interpersonal trust as well as community support networks' strength. For the evaluation of State Capacity, the focus lies on government effectiveness and the ability to prevent new and reduce existing disaster risk.

### Source

FFP (2022, p. 43).

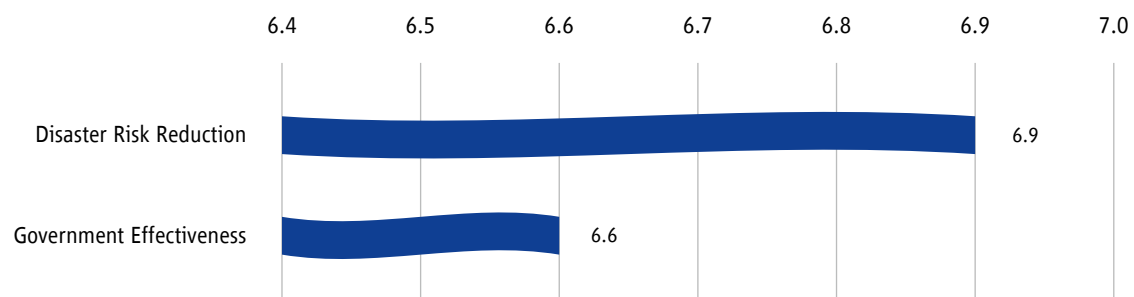
**Figure 1.** State Resilience Index (SRI): Inclusion, Social Cohesion, and State Capacity pillars in Europe



### Source

FFP (2022).

**Figure 2. Components of the State Capacity pillar: Government Effectiveness and Disaster Risk Reduction in Europe**



#### Source

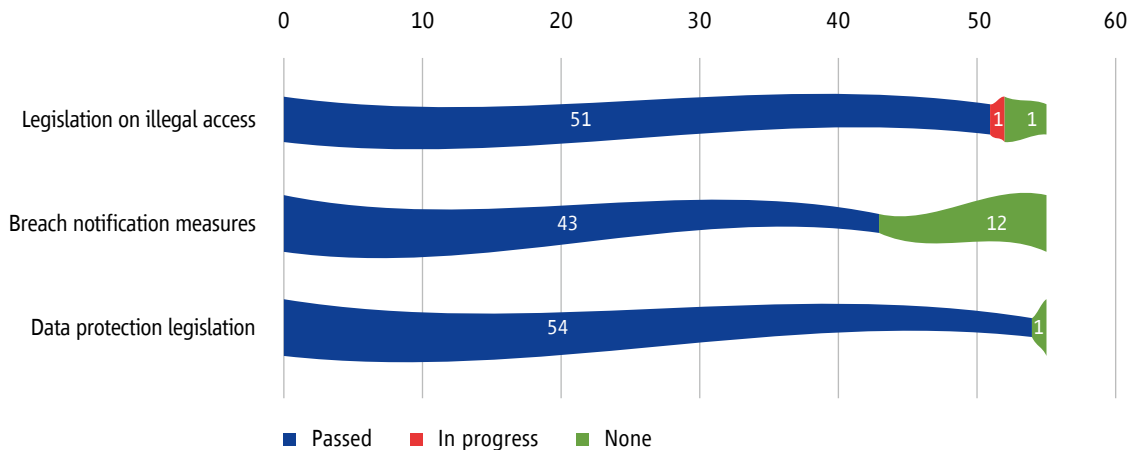
FFP (2022, p. 45).

#### Key stats

- Europe, as a whole, scored 6.7 out of 10 on the State Resilience Index for 2022. Approximately 68% of the surveyed countries in Europe achieved an SRI score exceeding 6. Nordic countries, the top-scoring group, attained a score of 8.1.  
[FFP \(2022, p. 45\).](#)
- There are notable differences in scores for the different components of the indicator. Social Cohesion is the lowest scoring component, with a score below 5 in 17 countries in the region. The highest indicator in the region is inclusion, with a score of at least 8.5 in 9 countries.  
[FFP \(2022, p. 45\).](#)
- The value of the Government Effectiveness component for Europe falls behind other components of the State Capacity pillar, registering a score of 6.6, with nine countries achieving notably low scores below 5. Government effectiveness is vital for closing gaps between legal and effective social protection coverage or enhancing the adequacy of benefits in a sustainable manner.
- The Disaster Risk Reduction component attains a relatively high regional score of 6.9, with seven countries registering a score higher than 8.5.
- However, rising frequency of extreme weather and climate-related events in Europe, as elsewhere, creates significant and growing economic losses. Over the past 20 years, total economic losses for major events amounted to 3% of GDP, on average, across the European Union, and losses for single events exceeded 1% of GDP in 13 countries, and 2% in five countries. Rising temperatures will multiply these losses, putting pressure on public finances, including social security.  
[FFP \(2022, p. 45\)](#), [Gagliardi et al. \(2022a\)](#), [Gagliardi et al. \(2022b\)](#).

## Resilience against technology-driven challenges

**Figure 3.** Countries with data protection legislation, with breach notification measures, and illegal access legislation, 2020 or latest available



### Source

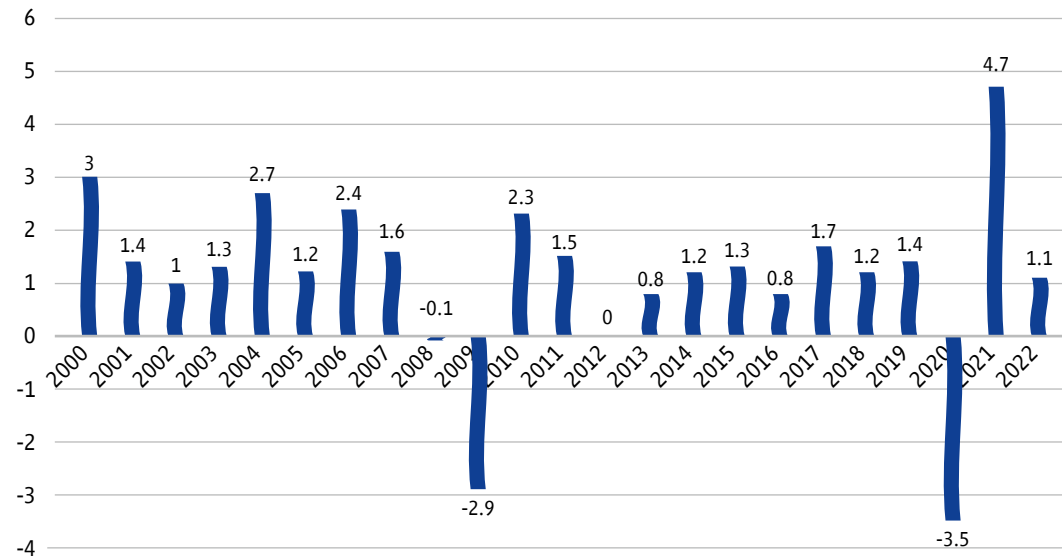
ITU (2021).

### Key stats

- As of 2020, legislation on illegal access is currently in place in 92% of European countries, with one country in the process of drafting such legislation and two countries having no current legal provisions in this regard.  
[ITU \(2021, p. 5\).](#)
- Breach notification legislation is already established in 43 European countries, while 12 countries currently lack such measures.  
[ITU \(2021, p. 5\).](#)
- The number of countries in Europe with data protection legislation has risen, as all surveyed countries except one have implemented regulations requiring organizations to report cybersecurity breaches or establish annual audit requirements.  
[ITU \(2021\).](#)
- At the regional level, the European Union (EU) Cybersecurity Act establishes a strong regulatory framework to govern cybersecurity, which includes tools to increase cooperation among countries and introduces a certification framework for ICT products, services and processes.  
[European Commission \(2019\).](#)
- In addition to cybersecurity, the EU is leading global efforts to regulate data privacy, artificial intelligence, platform work, and internet safety, all of which will help strengthen state, societal and labour market resilience against new and emerging technology-driven challenges.  
[European Parliament \(2023\) and Council of the European Union \(2023b\).](#)

## Labour market resilience

Figure 4. Labour productivity growth, 2000–2022



### Source

ILO (2023c).

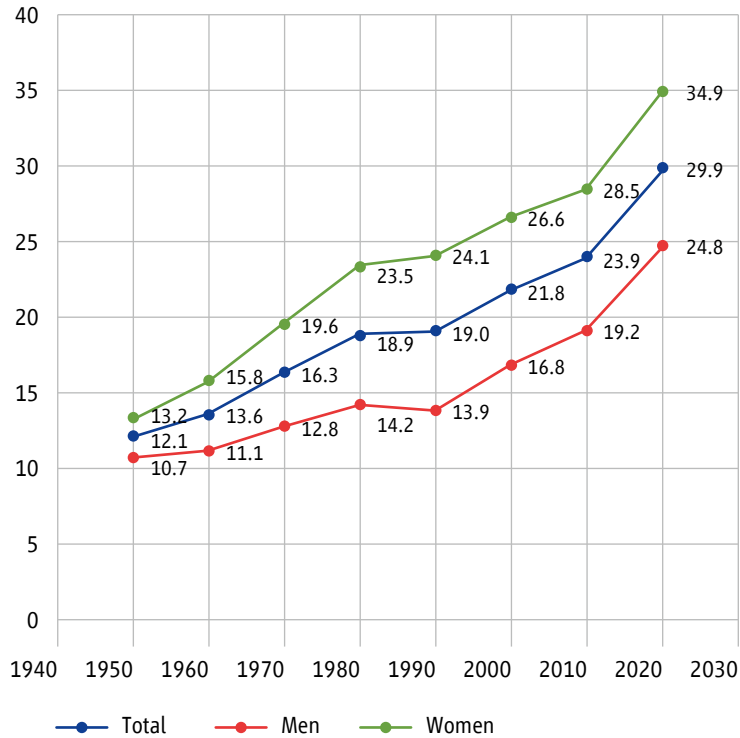
### Key stats

- After a significant decline in 2020 due to the impact of the COVID-19 pandemic, labour productivity witnessed a resurgence in 2021, rising from -3.5% to 4.7%. This upward trend decelerated in 2022, which registered a growth rate of 1.1% in the region.
- Although the global outlook remains uncertain, unemployment in the region is projected to increase only moderately, to 6.3% in 2024, due to many of the impacts of the COVID-19 crisis having been absorbed by declining real wages amid a backdrop of rising inflation.

ILO (2023c).

## Ageing population and sustainability

Figure 5. Old-age dependency ratio evolution 1950–2021



**Note:** The old-age dependency is calculated as the number of elderly people (aged 65+) compared with the number of working-age people (aged 15–64).


### Source

UNDESA (2022b).

- The old-age dependency ratio in Europe has noticeably increased in the last 20 years, posing serious challenges for the sustainability of pension systems. In 2000, the old-age dependency ratio was 21.8%, indicating that there were fewer than five adults of working age (15–64) for every person aged 65+. [UNDESA \(2022b\)](#).
- At the European Union (EU) level, the old-age dependency ratio is projected to reach 56.7% by 1 January 2050, when there will be fewer than two working-age adults for each older person. The projections indicate that the old-age dependency ratio will have risen to at least 50% in the vast majority of EU regions. [Eurostat \(2021\)](#).
- Most of the regions with the highest ratios were in predominantly rural, mountainous, or relatively remote areas, from where many younger people have left to continue their studies or look for jobs. [Eurostat \(2021\)](#).


## Key messages

# 01



To build individual, economic and societal resilience, social security systems must be financially and administratively resilient. In Europe, efforts are underway to build strong, responsive and flexible institutions able to cater to the rapidly evolving needs of their populations in increasingly turbulent contexts, combining conventional and innovative solutions.

# 02



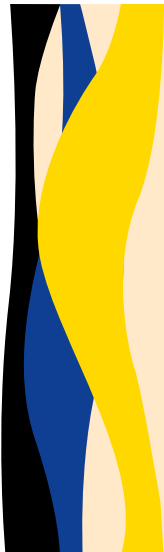
The efficacy of conventional solutions to ensure the sustainability of social security systems is being challenged by ongoing and worsening global trends that affect the region. Emerging economic, geopolitical, environmental and labour market risks reduce fiscal space while simultaneously increasing the demand for benefits.

# 03



To confront demographic ageing, countries in Europe are raising retirement ages and encouraging longer careers, while also implementing policies to cushion the impact of reforms and ensure their public acceptance.

# 04



To better ensure long-term financial sustainability, social security systems in Europe have sought to increase revenues by strengthening contribution and tax collection and compliance capacities at the national level and across borders.

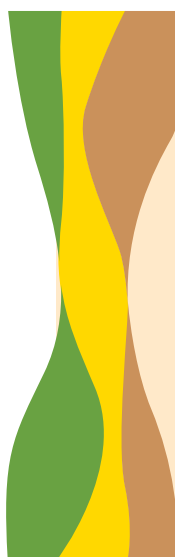


# 05



Countries in the region are seeking to optimize investment returns for both individual accounts and pooled funds, while also pursuing more sustainable investment opportunities, with an emphasis on environmentally and socially responsible investments, to ensure more resilient economies and societies over the long term.

# 06



To improve the resilience of workers and social security systems in the face of rapid labour market transformations, governments and social security institutions across Europe are finding new ways to support low-income workers, facilitate employment, support job transitions, cater for career volatility and transitions and accommodate new forms of work.

# 07



The negative socioeconomic impacts of climate change, extreme weather events and natural disasters have placed European social security systems under greater strain. Social security systems will be key to achieving a just transition to greener economies.

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