

Living conditions and quality of life

Social protection 2.0: Unemployment and minimum income benefits



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Executive summary

Introduction

Social protection includes a range of monetary and in-kind entitlements. This report focuses on unemployment and minimum income benefits for people of working age. These include lower-tier unemployment benefits in the 12 Member States where they exist, for people whose higher-tier benefits have run out or who cannot access them. These benefits cushion against decreases in income due to unemployment and prevent income from dropping below a certain level. The report maps coverage gaps, non-take-up and inadequacy, and how these benefits are tied to entitlements and access to services. It discusses digital application procedures, application rejections, financial (dis)incentives for benefit recipients to engage in work or training, and recipient characteristics.

Policy context

The Treaty on European Union confirms Member States' attachment to fundamental social rights defined in the European Social Charter, including improving social security and protecting against poverty and social exclusion. The targets in the 2021 European Pillar of Social Rights Action Plan, to be reached by 2030, include '[t]he number of people at risk of poverty or social exclusion should be reduced by at least 15 million' and 'at least 78% of the population aged 20 to 64 should be in employment'. The 2019 Council recommendation on access to social protection for workers and the self-employed recommends that Member States provide access to adequate social protection to all workers and the self-employed. The 2023 recommendation on adequate minimum income ensuring active inclusion calls on Member States to modernise minimum income schemes. The 2021 High-Level Group on the future of social protection and of the welfare state in the EU highlights the link between monetary benefits and access to services, arguing for a social investment approach.

Key findings

- Social benefits halve the proportion of people aged 16–64 at risk of poverty in the EU, from 31% (after taxes and before transfers) to 15.5% (after taxes and transfers).
- Overall, about two-thirds of unemployed people are left without benefits or assistance, from less than half in 4 Member States to at least three-quarters in 16 Member States. Individuals with short or no employment records (mainly young people), the self-employed, those with non-standard working arrangements or the long-term unemployed are often not entitled to higher-tier, or any, unemployment benefits.
- For higher-tier unemployment benefits, required contribution periods range from six months or shorter in six Member States to two years in three Member States. The minimum benefit duration after two years of contribution ranges from five months or less (in 8 Member States) to at least nine months (in 10 Member States).
- Groups facing gaps in minimum income benefit include households with low incomes or assets (homes that increased in value) above the entitlement threshold, groups of non-nationals (third-country nationals with temporary resident permits, EU citizens looking for work) and homeless people.
- No Member State was identified where more than 80% of those entitled to minimum income benefits receive them. Non-take-up seems less severe for higher-tier unemployment schemes.
- Authorities' proactive approach to chasing overpayments contrasts with their efforts to identify non-recipients who would be entitled to benefits if they were to apply.
- The proportion of previous earnings paid as unemployment benefit ranges from 50% to 90%. In 15 Member States, the amount decreases over time. Several countries have accelerated such decreases since 2023. Paid amounts are capped at below 60% of national average wage in almost half of the Member States. Automatic indexation is applied in 15 Member States for minimum income benefit and 8 Member States for unemployment benefit.
- At least 10% of minimum income benefit and unemployment benefit applications were rejected for almost all schemes identified, usually because the applicant did not fulfil asset or income requirements or they had inadequate documentation.
- Minimum income and, more often, unemployment benefits can be applied for online, except in three Member States. While in-person application options usually remain available, examples were identified where some steps are exclusively digital.

- Digital applications pose challenges, especially for groups of people who are older, have disabilities, low educational attainment or low incomes, are homeless or live in rural areas with difficulties accessing internet.
- Sanctions for not complying with activity requirements, such as attending training, are typically imposed on 1–6% of benefit recipients annually.
- Those living in single-adult households, women and non-nationals are overrepresented among minimum income benefit recipients. Unemployment benefit recipients are more often nationals and men, but over the past decade women have taken over as the majority in several Member States. Some countries have simultaneously seen the duration of benefit receipt increase and recipient numbers decrease.
- The erosion of income adequacy can be prevented by automatic indexation, especially for minimum income schemes that people tend to depend on for longer. This is important for gender equality, as women are overrepresented among recipients. Indexation should respond to sudden inflation changes and consider that inflation faced by low-income households may outpace general consumer price indexes.
- Complex benefit systems require considerable investment in information provision and increase rejections and non-take-up. This can be addressed by investigating reasons for rejections and widening coverage by making entitlement criteria easier to understand and automate.
- Digital applications can improve access to benefits, but create inequalities and reduce face-to-face opportunities to identify support needs. To counter this, innovative ways of engaging applicants digitally should be explored, and resources freed-up by digitalisation can be used to improve access for digitally excluded groups.
- Incentives to ‘use up’ unemployment benefit entitlement before taking up work should be reduced by increasing flexibility, for instance ensuring that remaining unemployment benefit can be kept for subsequent spells of unemployment.

Policy pointers

- To ensure basic living standards, and enhance social inclusion and employment prospects, social protection should go beyond merely enabling survival. To achieve this, and to cater for varying needs, access to enabling services is key.

Introduction

Social protection for people of working age includes a range of monetary and in-kind benefits, with tax systems also playing a role. Eurofound has previously mapped other aspects of social protection, such as access to care services and housing (Eurofound, 2020a, 2023a). This report focuses on unemployment and minimum income benefits. These benefits, along with other elements of social protection, can cushion against income decreases due to unemployment and prevent income from dropping below a certain level. They can thus contribute to preventing deprivation, facilitating social and economic inclusion, and providing a safety net for people negatively affected by the green and digital transition. Gaps and inadequacies in social protection have received increased attention due to the COVID-19 pandemic and cost-of-living crises. All of these developments, along with evolving forms of employment (partly related to digitalisation) and the need to keep social protection financially sustainable in the EU's ageing societies, could be seen to steer social protection in a direction that is different enough from the recent past to label it 'social protection 2.0'.

Scope

Often literature focuses on only one element of social protection. This report broadens the scope by discussing both unemployment and minimum income benefits. This, among other things, avoids overlooking the fact that unemployment benefits (especially those of unlimited duration) play a larger role in protecting people from low incomes in some countries, while in others minimum income benefits support many unemployed people. The report also pays attention to other aspects of social protection as well (other benefits, taxation, access to services). The quantitative analysis considers more benefits than unemployment and minimum income benefits alone (such as disability, old-age, housing and child benefits for people of working age), as otherwise income support would be underestimated (European Commission, 2023a). Still, the main focus on only two benefits has limitations, overlooking interlinkages with other benefits. For instance, sickness and disability insurance benefits sometimes serve, in practice, as alternatives to unemployment and minimum income benefits. Minimum income and unemployment benefits are sometimes topped up with other benefits for people with certain needs (for example, relating to children, disabilities and housing or healthcare costs), while in other cases, these benefits are compensated through separate monetary or in-kind benefits.

The report also adds to some of the existing research by identifying multiple groups at risk of facing benefit access and adequacy problems rather than focusing on one group, and by looking at how benefit schemes work in practice, beyond laws and rules.

The report identifies the coverage gaps, non-take-up and inadequacy of unemployment and minimum income benefits. It explores the digitalisation of application procedures, and its impact on access, and measures to facilitate access. The report also investigates how entitlements to services (such as healthcare) are tied to these benefits and the automatic provision of these entitlements. In addition, it looks at economic activation, focusing on financial (dis)incentives to take-up work or training, sanctions and their implementation, and support for employment integration. Lastly, it presents administrative data on characteristics of benefit recipients. Given the limited resources and space, the report cannot map all the details of social protection rules, or provide comprehensive information about all Member States on all aspects.

This report aims to complement and build upon the extensive information on unemployment and minimum income benefits available from various other sources. This includes information on legal entitlements (from the Mutual Information System on Social Protection (MISSOC), the Organisation for Economic Co-operation and Development (OECD) and Eurostat's country reports), financing and spending (from the OECD, Eurostat, MISSOC and the Labour Market Policies (LMP) database), work incentives (from the OECD and the LMP database) and measures implemented owing to the pandemic and cost-of-living crisis (from Eurofound's COVID-19-related EU PolicyWatch; the LMP database; the OECD; Baptista et al, 2021; and the Council of Europe's ad hoc reports on the cost-of-living crisis). The EU's monitoring and benchmarking frameworks also provide information, including European Union Statistics on Income and Living Conditions (EU-SILC)-based estimates of poverty reduction due to social benefits in the Social Protection Performance Monitor and Joint Assessment Framework, and information on the adequacy of the coverage of minimum income schemes (European Commission and SPC, 2022; SPC and European Commission, 2024). Access to social protection for specific groups, such as young people, people with disabilities, and people with non-standard contracts or who are self-employed, has been mapped (Spasova et al, 2017; Ghailani et al, 2021; Baptista and Marlier, 2022; Eurofound, 2024a). It is also monitored as

part of the implementation of the Council recommendation on access to social protection.¹

Methods

The report draws on information gathered from the Network of Eurofound Correspondents,² Eurofound's analyses of MISSOC and other policy databases, literature and experts. The analysis of EU-wide data from EU-SILC, the European Union Labour Force Survey (EU-LFS), and Eurofound's *Living, working and COVID-19* e-survey is also drawn upon.

Definitions and limitations

Unemployment and minimum income benefit schemes

Unemployment benefits protect people against the lack of income due to job loss, business failure or inability to access employment. Minimum income benefits in this report are 'last resort' benefits, which bring income up to a minimum level, including for economically inactive groups. These benefits may have strong activation requirements, making them similar to unemployment benefits. Conversely, unemployment benefit received over a long period with few activation requirements may resemble a minimum income scheme.

The report distinguishes between two types of unemployment benefits.

- Higher-tier benefits:** They are not means-tested, and are the only unemployment benefits in a country or exist alongside lower-tier benefits. Requirements to qualify for them include a minimum contribution period (not necessarily during employment). Their level may (up to a, sometimes low, cap) depend on prior income. They are sometimes referred to as 'insurance based' or 'contributory', but may be (partially or fully) funded by taxes (for example, in Denmark³ and Finland) and mandatory social security contributions by employees and employers (for example, in Czechia and Hungary) or only employers (for example, France and the Netherlands).
- Lower-tier benefits:** They exist alongside more generous higher-tier benefits in 12 Member States and are (except in Sweden) means-tested. Their level is independent of prior income (they are provided at a flat rate, or are dependent on household composition or contribution record).

They are sometimes referred to as 'non-contributory', but are arguably also financed through contributions to specific social security schemes or other insurance schemes related to unemployment (for example, in Greece and Malta) or taxes.

Sometimes, it is difficult to classify schemes. For example, *Bürgergeld* in Germany is classified in this report as a lower-tier unemployment scheme as recipients of working age need to be able to work for at least three hours a day. Another scheme, *Sozialhilfe*, for people whose household cannot afford living expenses, is categorised here as a minimum income benefit. It lacks activation requirements for people of working age and is not contingent on living with health problems or disabilities or providing childcare. However, *Bürgergeld* recipients with young children or care responsibilities or who are in education are exempt from searching for a job (1.1 million out of 3.7 million employable recipients in 2022). Furthermore, *Bürgergeld* secures income for many more (including 1.5 million children) than *Sozialhilfe* (around 130,000 recipients). The Hungarian scheme classified here as a minimum income scheme also has strict activation requirements, but the alternative scheme (*egészségkárosodási és gyermekfelügyeleti támogatás*) is restricted to people with disabilities, with health problems or providing care to a child up to the age of three years.

Annex 1 presents an overview of the Member States' schemes labelled in this report as unemployment and minimum income benefits. Besides these main benefits, there may be other benefits (for instance, unemployment benefits for specific groups of workers in Italy and Spain).

Survey-based data on benefit receipt

Data specific to minimum income and unemployment benefits as defined in this report are not always readily available. The EU-LFS asks more generally for receipt of benefits. In particular, 'social exclusion not classified elsewhere' and unemployment benefits in EU-SILC include a wide range of benefits supporting unemployed people and those with low incomes. Member States differ in the benefits they include in social exclusion benefits, which in general include minimum income benefits. In some countries, many households receive social exclusion benefits because they include temporary, widely accessible cost-of-living support (for example, Denmark and France). In Denmark, the high proportion of households reporting that they received social exclusion benefits in 2022

1 More information is available at <https://ec.europa.eu/social/main.jsp?catId=1538&langId=en>

2 Detailed unpublished reports from the 27 Member States can be requested; where national evidence is mentioned without reference to a source, the information comes from these reports.

3 Insurance costs DKK 89–172 (€12–€23 as of 10 July 2024) (varying between funds, independent of income), plus a DKK 381 (€51) per month transfer to the state. The latter is used to pay unemployment benefits. In years with high unemployment (above about 2.5%), it is complemented with general income tax (for example, from salaries and properties).

possibly reflects the inclusion of a scheme allowing households to temporarily freeze and later repay energy bills. This scheme was available to, but not taken up by, all households.

Underestimation of support is likely when based on surveys, as benefit receipt tends to be underreported. When based on administrative data, smaller, specific benefits are more likely to be included. For instance, in Belgium, the proportion of unemployed people receiving unemployment benefits increased from 6% in 2018 to 22% in 2019, when data collection for EU-SILC became based on administrative data. In 2019, unemployed respondents receiving unemployment benefit included 655 receiving traditional unemployment benefit and 724 receiving compensation for not working because of the weather in construction, termination allowances after being fired, corrections to unemployment benefits from prior years and career break benefits (275 receiving less than €500 in 2019).

It is important to note that groups in vulnerable situations tend to be underrepresented in population surveys (Almeida et al, 2022). They are sometimes explicitly excluded (for instance, homeless people, who often receive little income support).

Overall, the survey-based analyses should be interpreted, therefore, with caution.

EU policy context

The Treaty on European Union confirms Member States' commitment to fundamental social rights defined in the European Social Charter, including the endeavour to improve social security and the right to protection against poverty and social exclusion. In the development of their employment and social policies, Member States shall take due account of the employment guidelines, including the principles of the European Pillar of Social Rights, which stems from Commission Regulation (EU) No. 2024/1263. The 2017 European Pillar of Social Rights states the following.

- 'Regardless of the type and duration of their employment relationship, workers, and, under comparable conditions, the self-employed, have the right to adequate social protection' (principle 12).
- 'Everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services. For those who can work, minimum income benefits should be combined with incentives to (re)integrate into the labour market' (principle 14).
- 'The unemployed have the right to ... adequate unemployment benefits of reasonable duration, in line with their contributions and national eligibility rules. Such benefits shall not constitute a disincentive for a quick return to employment' (principle 17).

The 2019 Recommendation on access to social protection for workers and the self-employed commits Member States to extend the coverage of social protection systems to ensure all workers and the self-employed have the right to adequate benefits if they fall ill, have an accident, enter parenthood, become unemployed or retire. It focuses on people in new types of employment and aims to maintain trust in social protection systems, ensure a level playing field on the labour market and avoid a race to the bottom. However, the 2023 report on the implementation of the recommendation on access to social protection highlights that only a few Member States have undertaken or planned reforms in line with the recommendation.

The 2021 European Pillar of Social Rights Action Plan's targets include that by 2030 '[t]he number of people at risk of poverty or social exclusion should be reduced by at least 15 million' and that 'at least 78% of the population aged 20 to 64 should be in employment'. The action plan also established a High-Level Group on the future of social protection and of the welfare state in the EU. Its recommendations include providing access to social protection for all, irrespective of the contract or form of work, and ensuring protection is adequate and accessible throughout people's lives. It also, for instance, highlights the link between monetary benefits and access to services, advocating for a social investment approach (European Commission, 2023b).

The 2023 recommendation on adequate minimum income ensuring active inclusion calls on Member States to modernise their minimum income schemes as part of their ongoing commitment to reducing poverty and social exclusion. Member States should achieve the adequate level of income support by the end of 2030. They should set the level of minimum income benefit through a transparent and robust methodology, considering overall income sources, specific needs and disadvantaged situations of households, low-wage earners' or minimum wage earners' income, standards of living, purchasing power, and price level developments. To promote the economic independence of women, young adults and people with disabilities, it must be possible for household members to receive minimum income benefits individually.

The European Parliament's 2023 resolution on adequate minimum income ensuring active inclusion calls for strong action (a directive) on minimum income, noting problems of non-take-up, inadequacy and gaps in access. Its 2023 resolution on a roadmap towards a social Europe calls for an integrated EU anti-poverty strategy to tackle the multidimensional issue of social exclusion. The 2022 minimum income report by the Social Protection Committee and European Commission notes that the green and digital transition, demographic developments and growing polarisation in the labour market create risks for lower-income

households, putting further pressure on designing minimum income schemes in a way that ensures that everybody is protected.

Social protection can play a key role in aiding the green and digital transition and supporting those most affected. It is an important factor to consider in the context of demographic change. The European Green Deal aims to address climate change and environmental degradation, while leaving no person and no place behind. Enhanced social protection is vital for achieving such a 'just transition' (Eurofound, 2023b). Social

protection also helps prevent people from being left behind during the digital transition, and needs to adjust to the changing world of work and developments in the labour market, including to non-standard forms of working. Other drivers of change include the ageing population and a shrinking workforce (European Commission, 2023b). The European Commission's 2023 demography toolbox supports Member States in addressing demographic challenges and their impact on Europe's competitive edge.

1 Social protection: Poverty reduction and expenditure

Impact of social protection on poverty reduction

Social protection plays a key role in achieving the European Commission's target of reducing the number of people at risk of poverty or social exclusion by 15 million by 2030 (European Commission, 2021). The post-transfers at-risk-of-poverty rate for people aged 16–64 in the EU decreased from 17% in 2013 to approximately 15% in 2022 (Eurostat [ilc_li02]).⁴ Material deprivation was also reduced, from 12% in 2015 to 8.8% in 2022. However, poverty and deprivation increased for some groups (Eurofound, 2020b, 2020c). While this development can largely be attributed to increased employment and income from work, social protection plays a key role in reducing poverty and deprivation.

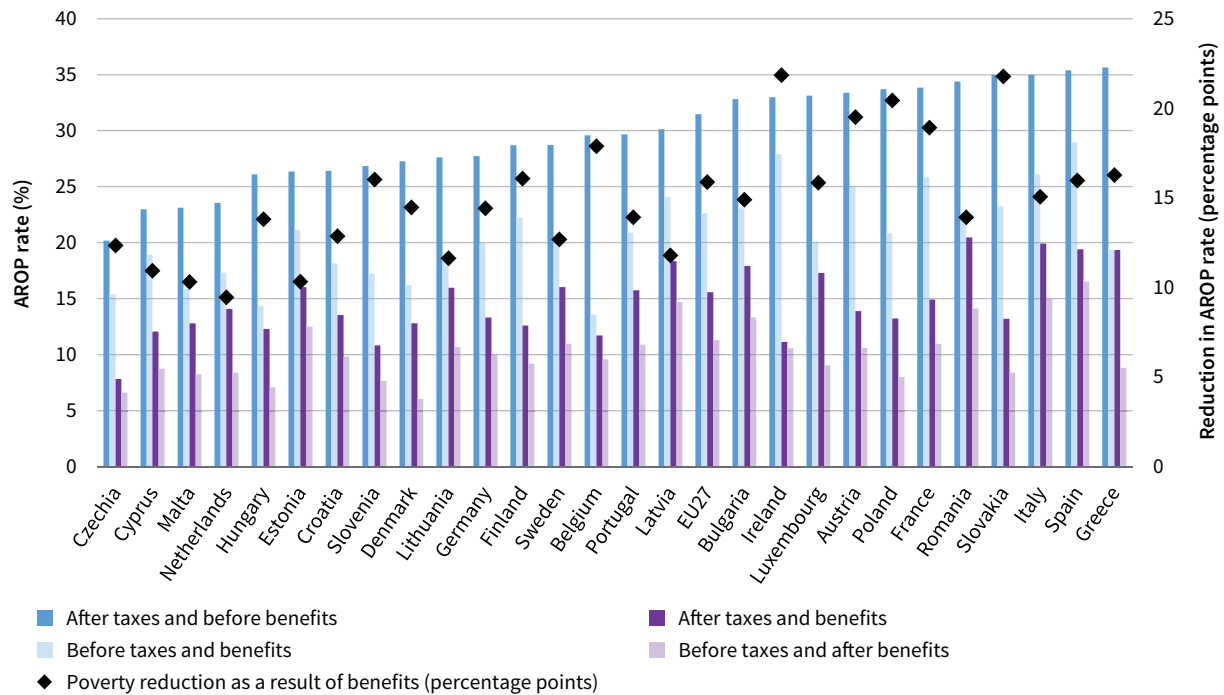
The social exclusion component of the 'at risk of poverty or social exclusion' indicator captures people in severely materially deprived households or those living in households with very low work intensity. Its income component (at risk of poverty) measures the share of people with incomes below 60% of the national median (equivalised) disposable income after social transfers. It measures relative poverty (the higher the median

income, the higher the poverty threshold) and focuses on income poverty, ignoring differences in access to services such as healthcare. The poverty threshold thus allows for more dignified lives in countries with a higher median income and better access to services (Goedemé et al, 2022a). While it is possible to calculate how much the at-risk-of-poverty rate has been reduced by benefits and taxes, measures of financial stress (for instance, whether people face difficulties in making ends meet, and material deprivation) cannot be observed before transfers and taxes.

Social benefits reduce the at-risk-of-poverty rate for people aged 16–64 in the EU from 31% (after taxes but before transfers) to 15.5% (after taxes and transfers) (Figure 1). The proportion would be lower in the absence of taxes (11% after benefits and before taxes and 23% before benefits and taxes), without accounting for the redistribution facilitated by taxes. In some Member States, social transfers bring the at-risk-of-poverty rate down from above-EU-average to below-average levels (Austria, Ireland, France, Poland and Slovakia). In others, with an about or below-average at-risk-of-poverty rate before transfers, social transfers have a smaller impact, resulting in about or above-average post-transfers at-risk-of-poverty rates (Estonia, Lithuania, Latvia, Portugal and Sweden).

⁴ The post-transfers at-risk-of-poverty rate measures the percentage of people at risk of poverty after accounting for the income they receive from social benefits.

Figure 1: At-risk-of-poverty rate before and after taxes and social transfers among people aged 16–64, 2022



Notes: AROP, at risk of poverty. Old-age pensions and survivor benefits are included in social transfers. The poverty threshold is 60% of median equivalised income after taxes and transfers. Survey weights were applied.
Source: Authors' estimates, based on EU-SILC microdata

Poverty reductions: Population groups and benefit types

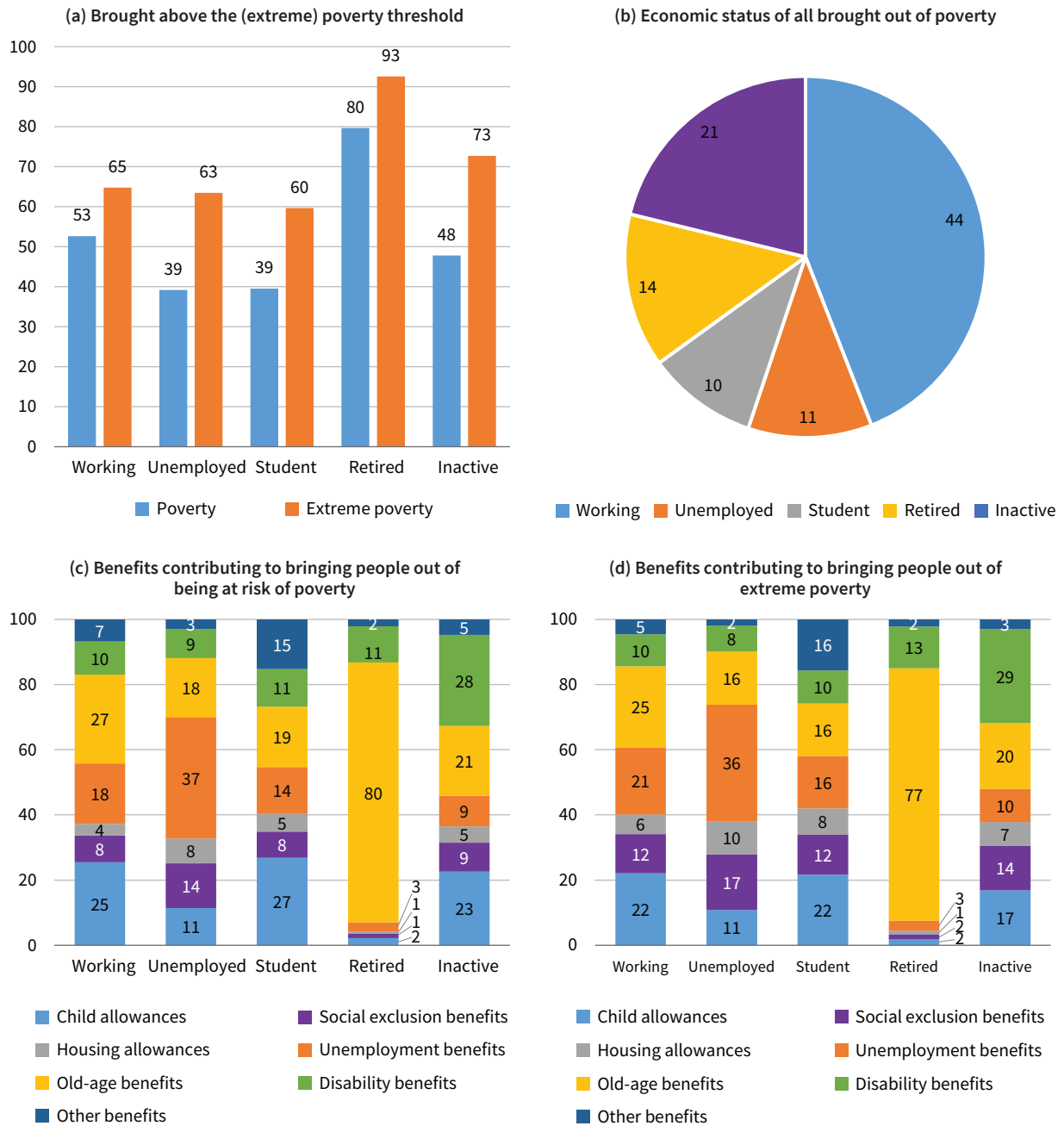
A wide array of benefits contribute to bringing people above the poverty line.

Among people aged 16–64 who are at risk of poverty before social transfers, retirees (80%) and people in employment (53%) are most likely to be in households raised out of poverty by social transfers and taxes (Figure 2a). More than half of the economically inactive people, students and unemployed people in households that are at risk of poverty before transfers remain at risk of poverty after transfers. However, if the income threshold is lowered from 60% to 40% of median income (in this analysis referred to as the 'extreme poverty' threshold), the proportion taken out of poverty increases most for inactive (by 25 percentage points, to 73%) and unemployed (by 24 percentage points, to 63%) people. Overall, 69% would be taken out of extreme poverty (compared to 50.5% brought above the 40% poverty line).

Of people aged 16–64 whose household incomes are brought above the at-risk-of-poverty threshold, most (44%) are employed (Figure 2b). They may receive benefits while working, they may have received benefits earlier in the year during a period of unemployment (EU-SILC measures benefit receipt over the previous year), or others in their household may receive benefits (for example, 9% of employed people in the EU not receiving unemployment benefits live in a household where another member receives them). Other groups brought out of poverty are mainly economically inactive people (21%), retirees (14%) and unemployed people (11%).

Unemployment (both higher- and lower-tier) and social exclusion benefits contribute more for unemployed people than for any other group. Together, unemployment and social exclusion benefits account for over half of the total income from benefits for unemployed people brought above the poverty line by benefits (Figure 2c and 2d). Social exclusion benefits account for more of the overall benefits package for inactive people brought out of (especially extreme) poverty than they do for other groups (except the unemployed), but child, disability and old-age benefits play a larger role.

Figure 2: Proportion of people aged 16–64 brought above the poverty threshold after taxes and benefits, by self-reported economic status, EU, 2022 (%)



Notes: People who are at risk of poverty are those with a household income below 60% of the median equivalised income after taxes and benefits. People in extreme poverty are those with a household income below 40% of the median income. The contribution of each benefit is the share of the benefit in the total benefits package for households whose income is brought above the poverty and extreme poverty threshold by benefits. Individual benefits (unemployment, old age and disability) are summed across all household members.

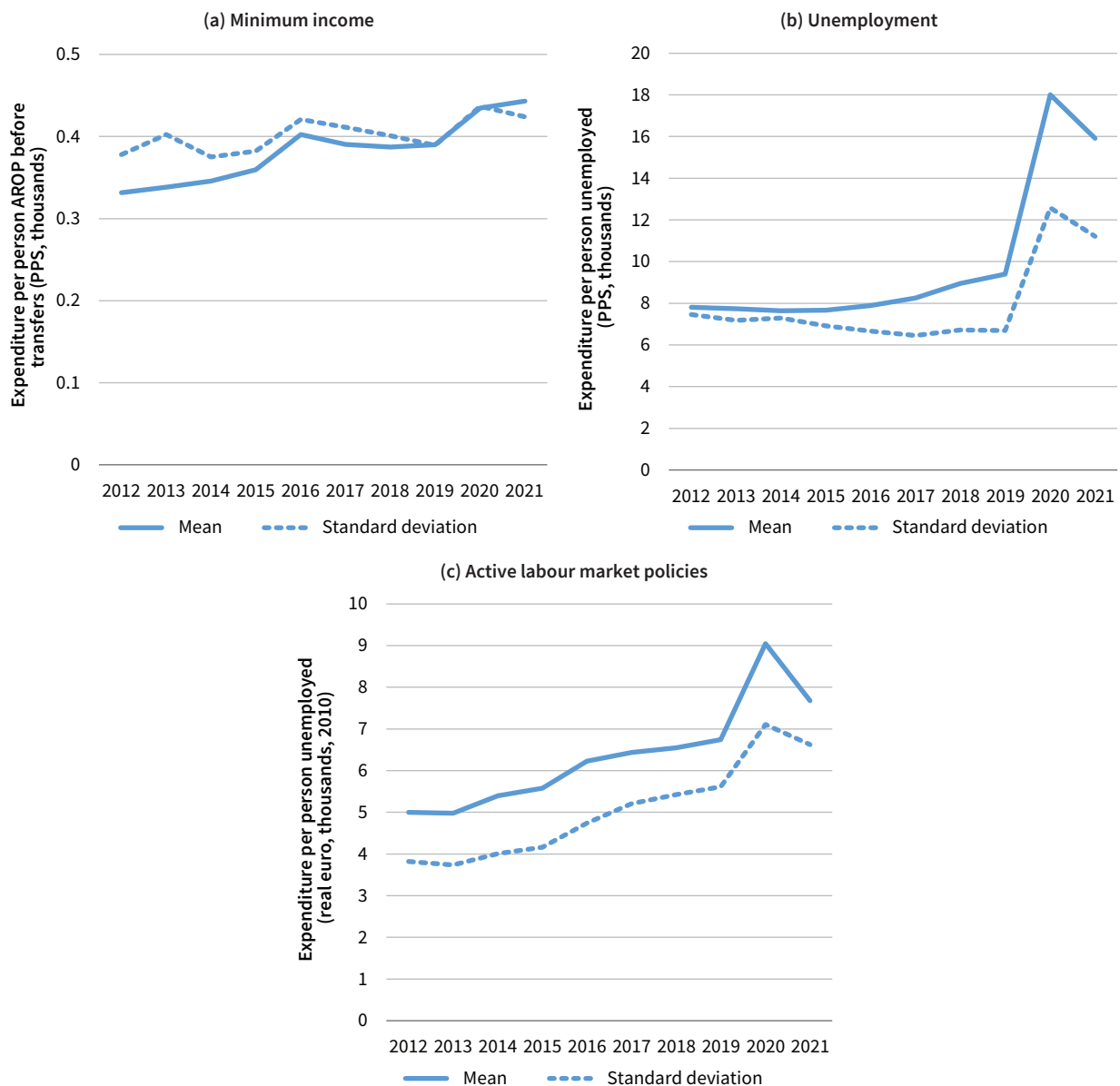
Source: Authors' calculations, based on EU-SILC microdata

Expenditure: Diverging upwards

For people of all ages (as expenditure is not broken down by age), and including pensions, Member States spent, on average, 24.5% of gross domestic product on social protection measures and poverty reduction in 2021. Social transfers reduced poverty in the EU by 26.5 percentage points; an additional 1% of gross domestic product spent equates to a further 0.58-percentage-point reduction in poverty.

Expenditure on social exclusion benefits (see the section ‘Definitions and limitations’) per household in poverty (before benefits), and on unemployment benefits and active labour market policies per unemployed person, have diverged upwards over the past decade. Both average expenditure and disparities (measured by the standard deviation) have increased across Member States (Figure 3).⁵

Figure 3: Social protection benefit expenditure, EU, 2012–2021



Notes: Figure shows (a) average expenditure on social exclusion per person at risk of poverty (AROP) before social transfers (including pensions), (b) average expenditure on unemployment benefits (social insurance based and social assistance based) per person unemployed and (c) average expenditure on active labor market policies per person unemployed, adjusted for inflation (real euro, 2010). PPS, purchasing power standard.

Source: Authors’ calculations, based on EU-SILC microdata; Eurostat Expenditure: Main results [spr_exp_sum] (social exclusion and unemployment benefits); Eurostat, LMP expenditure by type of action – Summary tables: Total LMP client services and measures (subcategory 11 + categories 2–7) [LMP_EXPSUMM] (active labour market policies); Eurostat, At-risk-of-poverty rate before social transfers (pensions excluded from social transfers) by household type – EU-SILC survey [ilc_li10b] (data on at risk of poverty rate before transfers); EU-LFS (data on number of households)

⁵ The most recent expenditure data available are from 2021.

This upward divergence was particularly marked during the pandemic, when countries saw increased expenditure, but in different ways and to varying extents. Administrative data on the numbers of unemployment (for example, in Denmark, Luxembourg, the Netherlands and Slovakia) and minimum income benefit recipients (for example, in Finland, the Netherlands and Slovenia) often peaked in Member States in 2020–2021 (but not always; for example, in Denmark and Sweden the decrease in minimum income benefit recipients continued). Some countries increased the amount or duration of minimum income or unemployment benefits, broadened entitlement (by raising income thresholds) or relaxed asset tests (Baptista et al, 2021). However, several countries implemented job retention schemes or new temporary benefits, moderating the role of unemployment and minimum income schemes. Some people identified themselves as employed while receiving temporary unemployment support, upping expenditure per unemployed person (for instance, according to 2021–2022 EU-SILC data for Belgium).

When looking into country-level trends in expenditure, changes are tracked from 2019 to get a picture of the longer-term trend, which was often interrupted by the pandemic. Overall, in the EU, expenditure for all three aspects of social protection increased, but differences in country trends and disparities can be observed (Figure 4).

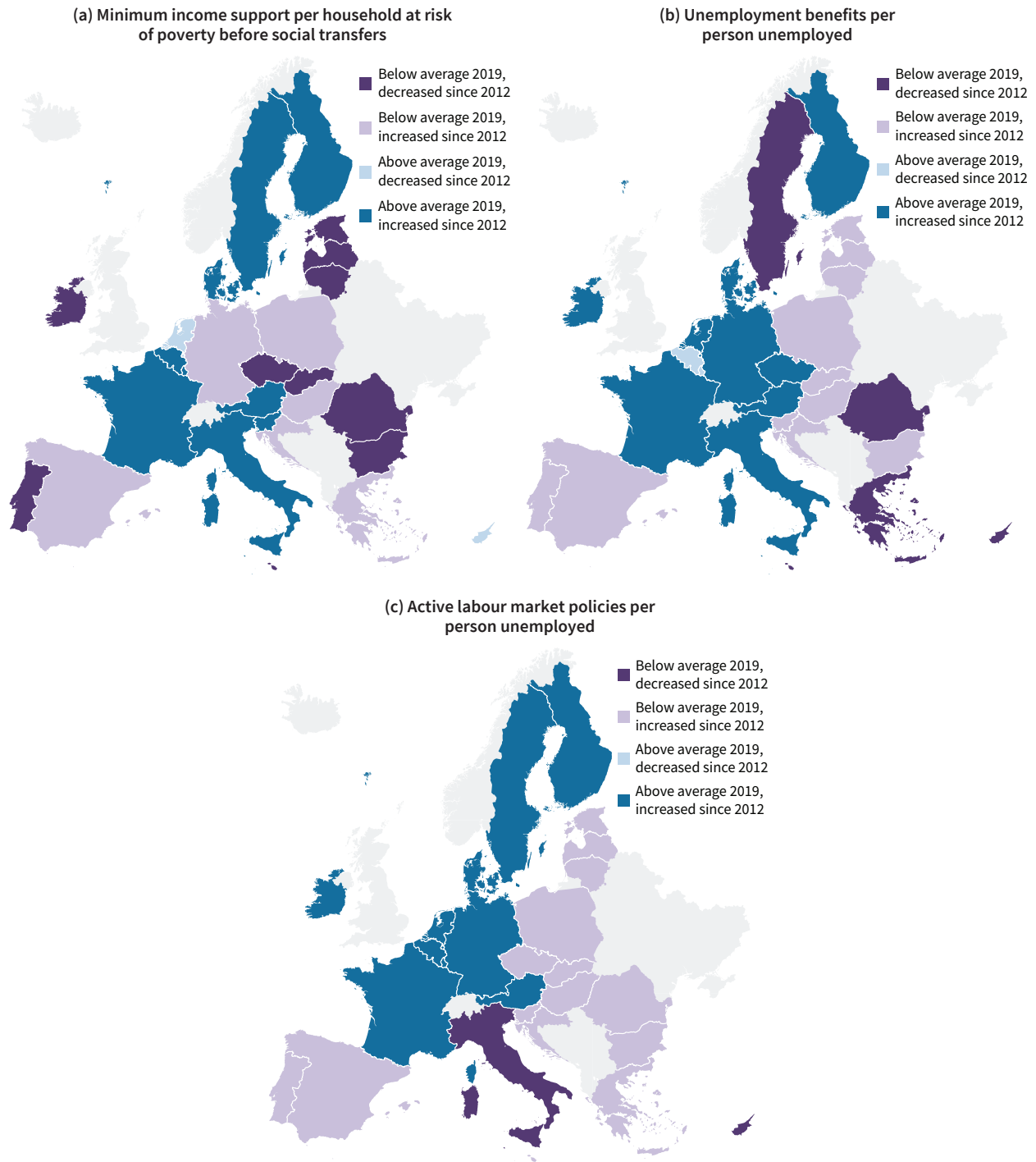
For minimum income support, from 2012 to 2019 the slight increase in disparities was partly driven by nine countries reducing their expenditure per household at risk of poverty from below-average levels in 2012, and six countries increasing their expenditure from above-average levels. Only two countries with above-average expenditure in 2019 had reduced their expenditure since 2012 (Cyprus, the Netherlands), and nine with below-average expenditure had increased it (in Austria and Italy, expenditure was brought above the average). The latter, for instance, includes Slovenia, where the number of recipients increased by 29.4% in

June 2018 because of an increase in the income threshold below which people were entitled to support, from €392.75 to €465.34 per month (for single households). Further threshold increases contributed to additional increases in recipients after the period considered here (by 5% in March 2022, and by 10% in March 2023).

In contrast to the other two types of social protection expenditure, disparities in expenditure on unemployment benefits per person unemployed decreased until 2019 (Figure 3). Out of the 16 Member States with below-average expenditure in 2019, 11 increased their expenditure from 2012 to 2019. In countries where no changes in the unemployment benefits occurred, a decrease in the number of unemployed people with relatively stable administrative costs may have driven this trend. Nevertheless, only Czechia's expenditure transitioned from below to above average. Four countries with above-average expenditure in 2012 reduced their expenditure, and two of them (Cyprus, Sweden) had decreased expenditure to below-average levels by 2019. Another (Belgium) moderated its unemployment benefit system in line with the European Commission's 2012 country-specific recommendations. However, it remains relatively generous, with, for instance, unemployment benefits of unlimited duration.

Expenditure on active labour market policies per person unemployed shows a clearer upward trend than unemployment and minimum income benefits: only two countries had lower expenditure in 2019 than in 2012, when it was below-average already for both countries. All other 16 countries with below-average expenditure in 2012 increased their expenditure (although only Ireland brought its expenditure to above-average in 2019). Additionally, 9 countries increased their expenditure from above-average levels in 2012, remaining above-average in 2019. However, countries with above-average levels raised their expenditure from 2012 to 2019 more than those with below-average expenditure, so disparities increased.

Figure 4: Social protection expenditure, 2012–2019



Notes: Eurostat [*spr_exp_sum*] (social exclusion and unemployment benefits); Eurostat [*LMP_EXPSUMM*] (Public expenditure on labour market policy interventions, excluding unemployment benefits; total LMP client services and measures, subcategory 11 + categories 2–7) (active labour market policies); Eurostat, [*ilc_li10b*] (Income distribution and monetary poverty, based on income reference period, data on at risk of poverty rate before transfers); EU-LFS (data on number of households).
Source: Authors' calculations, based on EU-SILC microdata

2 Coverage gaps

This chapter pays attention to the various dimensions of population coverage by unemployment and minimum income benefits (Nelson and Nieuwenhuis, 2021; Nardo et al, 2024). First, it examines the proportions of people who are unemployed or have low incomes and do not receive benefits. It then looks at people excluded from schemes, not fulfilling the entitlement criteria, or not receiving benefits they would be entitled to were they to apply.

Groups not reached by benefits

Unemployed people

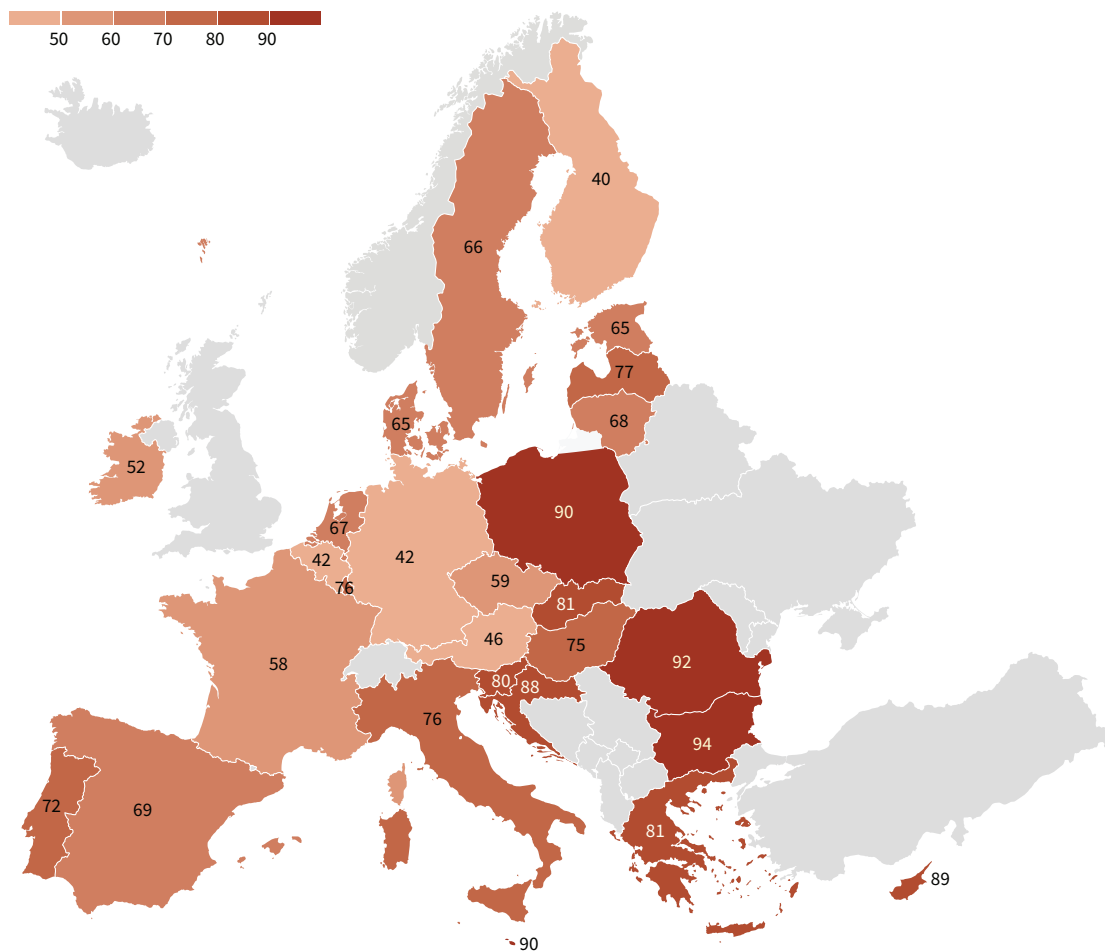
Unemployed people receiving benefits or assistance

The EU-LFS captures whether unemployed people receive unemployment benefits or assistance, thus indicating the

proportion of unemployed people left without support. Overall, 66% of unemployed people report that they do not receive any unemployment benefits or assistance, with proportions ranging from 42% or lower (in Belgium, Finland and Germany) to at least 90% (in Bulgaria, Malta, Poland and Romania) (Figure 5).

Administrative data on unemployment benefit receipt suggest there is an underestimation of benefit receipt by unemployed people in some of the countries, such as Bulgaria and Malta. For instance, in Malta, 4,468 individuals received some of the available unemployment benefits or assistance at some point in 2022, while 10,184 people were unemployed according to the LFS definition. This suggests that well above 10% of the unemployed received benefits. However, this difference can probably be explained by the fact that the LFS data on benefit

Figure 5: Unemployed people not receiving benefits or assistance, 2022 (%)



Notes: Registered and unregistered unemployed people (based on the International Labour Organization's definitions) not in receipt of any benefits or assistance. Survey weights were applied. Following correspondence with the national statistical office of Germany, the EU-LFS data were corrected for an error in the mapping of the German microdata to the EU-LFS data for the variable 'Register'. The EU-LFS data category 'Person is not registered at a public employment service but receives benefit or assistance' should have been empty; the responses it contained were transferred to the category 'Person is not registered at a public employment service and does not receive benefit or assistance', with the guidance of the statistical office.

Source: Authors' calculations, based on EU-LFS microdata

recipients (and unemployment) refer to a single week. The average number of weekly recipients tends to be lower than annual or monthly figures (see Chapter on ‘Recipient characteristics’).

However, one should interpret these estimates with caution, taking them as rough indications. Unemployment status in the EU-LFS is based on whether the respondent worked in the reference week, was available for work in the following two weeks and looked for work in the previous four weeks (or found a job that they would start within three months). It is a challenge to compare these data across countries, for various reasons. The definition excludes people who worked few hours, or who reported they were unavailable in the following two weeks. It also excludes people who did not look for work because they believed no work was available: in the EU, 4% of people aged 15–64 years are not seeking employment but would like to work (according to EU-LFS 2022 microdata). The proportions are highest in Italy and the Netherlands (8% and 7%, respectively), where the most common reason for not searching for work after ‘other’ (unspecified) reasons was having an illness or disability. Furthermore, the way the indicator ‘benefits or assistance’ is measured differs between surveys. For instance, in Malta, it asks for ‘unemployment benefit or assistance’, while in Poland it asks for ‘unemployment benefit’. This question is only posed to people who report being registered at the employment office, which could likely be interpreted as referring to purely monetary benefits in both countries. In Romania, it asks whether people receive ‘unemployment benefits’ or ‘assistance in finding a job’. For some countries the EU-LFS is further based on a smaller sub sample with annual variables; for instance, in Bulgaria, in the full sample (average of the four quarters), more (8.2%) unemployed people report receiving benefits. Overall, the EU-LFS is largely based on survey data, so concerns estimates. People, for instance, tend to underreport smaller benefits they receive (see section ‘Survey-based data on benefit receipt’).

Registered unemployed people receiving unemployment benefits

Administrative data on registered unemployed people capture a different population from those defined as unemployed by the EU-LFS. People may be registered at an employment office but not identified as unemployed in the EU-LFS if they are not looking for a job, are unavailable for work within two weeks, or have started to work some hours. For instance, in Estonia, since 2020 registered unemployed people are allowed to work part time, increasing the gap with EU-LFS-defined unemployed people. In 2019, there were 2.6% fewer unemployed people (aged 15–74) in the EU-LFS than those registered as unemployed (31,300 compared with 32,124). This gap widened to 14.4% (40,200 compared with 46,962) in 2020.

Registration at an employment office is usually required for unemployment benefit receipt. However, when applications are rejected, the benefit runs out or for those not entitled, incentives to register or remain

registered differ. Of the 36% of unemployed people in the EU not registered with an employment office, 11% receive benefits or assistance, compared with 51% of the 64% who are registered (EU-LFS 2022). The proportion of registered unemployed people receiving benefits ranges from 100% in Denmark and the Netherlands to below 20% in Bulgaria, Croatia and Poland. Deregistration is automatic in some countries, occurring after some time (for example, after three months in Greece) unless action is taken, while elsewhere action needs to be taken to deregister. In Poland, registration is sometimes agreed in a ‘social contract’, with unemployed persons expressing their intention to seek employment. Still, in 2021, 44% of people entitled to minimum income described as unemployed (by social workers, during their first interview with the social service user) in social assistance databases were not registered. In Romania, half of the exits from unemployment registration were due to the non-renewal of unemployment status by those not receiving benefits (40%) or at the end of entitlement (10%).

Registration at an employment office usually provides access to training and jobs and may entitle people to other services (see the chapter ‘Service entitlements’). It is also a condition for receipt of minimum income support by people of working age in Belgium, Cyprus, France (from 2023), Ireland, Latvia, Malta and Sweden. In Spain, registration, while not required, facilitates the acquisition of various benefits, including minimum income benefit. In Austria, while not formally required, it helps minimum income recipients to show they are willing to work – a requirement for recipients judged able to work.

Unemployed people also receive monetary benefits other than unemployment benefits. It can therefore be deceptive to consider only unemployment benefits (see the chapter ‘Inadequacy’). Still, administrative data on the proportion of registered unemployed people who do not receive unemployment benefits are presented for some countries for which these data were identified.

- **Greece, Hungary and Portugal:** 86% (July 2023), 43% (April 2022) and 41% (April 2023), respectively, of registered unemployed people.
- **Spain:** About one-third of the 2,837,653 registered as unemployed people (December 2022) do not receive benefits, because they have insufficient contribution records (about 25%) or because they have reached the maximum entitlement period (75%).
- **Czechia:** At least 72% of the 263,020 registered as unemployed do not receive benefits (September 2023) (as in total 73,355 registered and unregistered unemployed people receive unemployment benefits).

The proportion of registered unemployed people who receive unemployment benefit has decreased in several Member States:

- from 79% in 2008 to 65% in 2021 in Belgium
- from 52% in May 2021 to 37% in April 2022 in Bulgaria
- from 34% in 2020 to 18% in 2023 in Romania

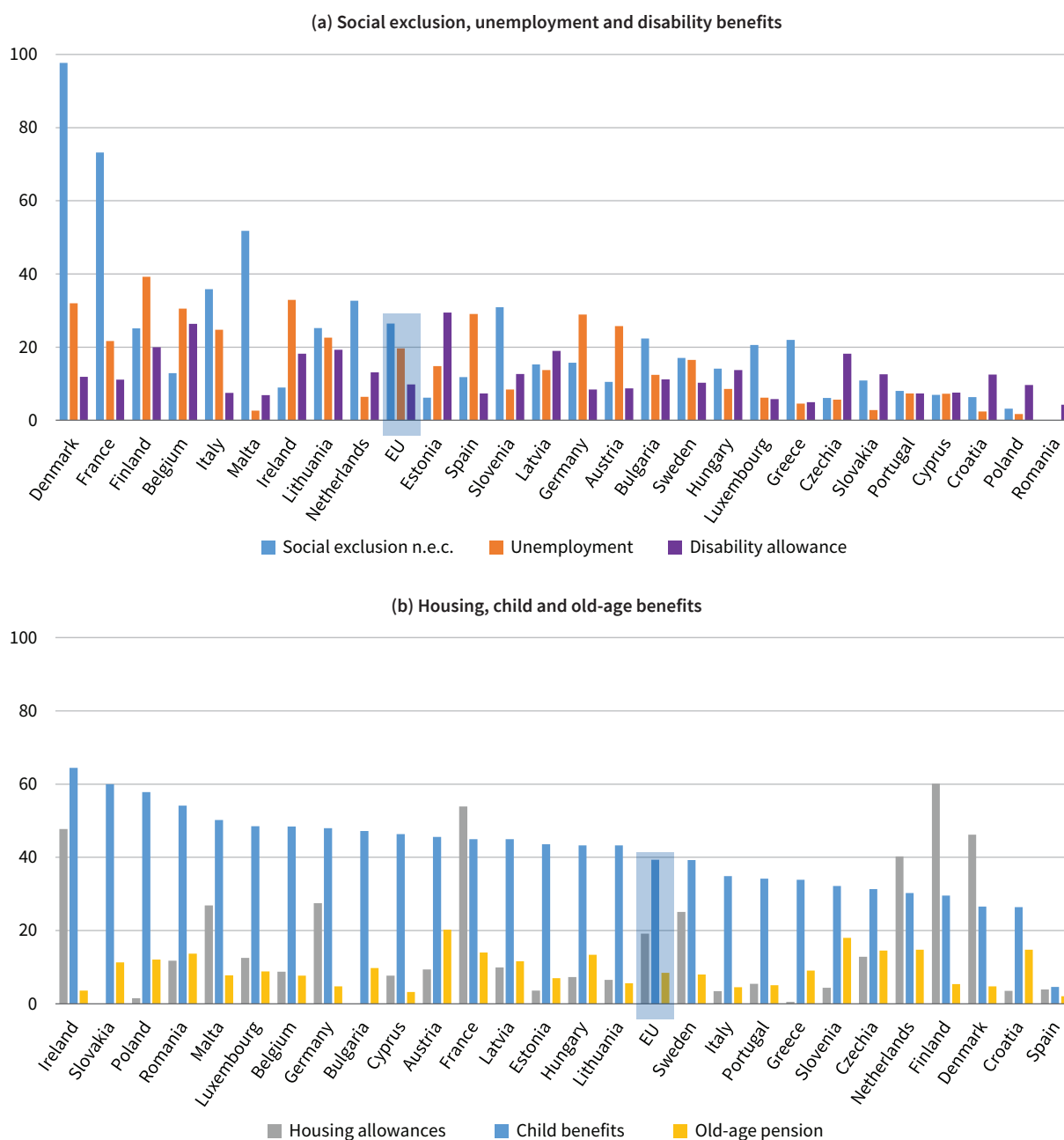
In contrast, in Slovakia, while the numbers of registered unemployed people and benefit recipients decreased, the number of registered unemployed people receiving benefits increased from 11% in 2010 to 19% in 2022.

People with low incomes

People of working age with low incomes are supported by a range of benefits, including social exclusion benefits (mainly minimum income), unemployment benefits (mainly lower tier) and disability benefits (Figures 2c and 2d). The role of these benefits varies

between Member States. For instance, in Finland and Ireland, households that are at risk of poverty more often receive housing and (higher- or lower-tier) unemployment benefits than social exclusion benefits. In the EU, 54% of those who are at risk of poverty before benefits receive none of these three benefits, ranging from below 40% in Denmark, Finland and France to over 80% in Croatia, Poland and Romania (Figure 6a). Among groups not reached by these benefits, some still receive benefits for specific needs (children, housing or old age) (Figure 6b).

Figure 6: At-risk-of-poverty households receiving various types of benefits, EU and Member States, 2022 (%)



Notes: n.e.c., not elsewhere classified. Households at risk of poverty before social transfers, sorted by the proportion of households at risk of poverty receiving (a) any social exclusion, unemployment or disability benefits and (b) child benefits. No data are available for social exclusion or unemployment benefit receipt in Romania. The proportion of households (independent of income) receiving child benefits varies most: in eight Member States, more than 90% of households with dependent children receive child benefits (Austria, Belgium, Denmark, Estonia, Germany, Latvia, Poland, Slovakia). Slovakia includes housing benefits (which can only be received by minimum income recipients) under social exclusion n.e.c. **Source:** Authors' calculations, based on EU-SILC microdata

Non-entitlement and non-coverage

Unemployment benefit

Lacking contribution, employment or income records

For higher-tier unemployment benefits, the required contribution or employment periods (hereafter, for ease of reading, referred to as ‘contribution records’) range from six months or shorter in six Member States to two years in three Member States (Figure 7). In some countries, people are not entitled to any higher-tier unemployment benefits if their income has been below a certain threshold. Denmark is exceptional in requiring earnings to be at least DKK 263,232 (€35,286 as of 10 July 2024) in the previous three years. However, other Member States also require minimum earnings for work periods to count towards employment record; for example, Finland requires €465 per month. In Poland, monthly income must have been at least the minimum wage, which is especially challenging for part-time workers. In Austria, monthly income needs to have been above €518.44. Some countries, in addition, require certain periods of insurance scheme membership (one year in Denmark and Sweden).

For lower-tier unemployment benefits, contribution periods are not required in Finland, Germany, Ireland, Italy and Malta (assistenza għal dizimpjieg); shorter than for higher-tier benefits in Estonia, Portugal and Spain; or equal to those for higher-tier benefits, as they are only for people whose higher-tier benefits have run out (Austria and Greece) (Table A2).

Three Member States have shorter (usually half as long) work history requirements for subsequent unemployment spells than for the first: 28 weeks in the previous year in Austria, 13 weeks (only for people aged 60–63 not entitled to a pension) in Cyprus and 6 months in Czechia. Sometimes, while requirements are the same as those for the first spells, benefit receipt counts towards the contribution period for a subsequent spell of unemployment (for example, in Hungary). Furthermore, recipients may not be able to reapply within a certain period (for example, in Luxembourg, 12 months). In Lithuania, they can use up their prior entitlements if they become unemployed again within 6 months; otherwise, they are permitted to reapply only after 12 months.

Figure 7: Minimum contribution record for higher-tier unemployment benefits, EU Member States, 2024



Notes: First-time withdrawals. Countries are sorted by required contribution length and in reverse order by reference period length (indicating the need for contribution records to be recent). DIS-COLL, unemployment benefit for fixed-term contract workers scheme (*indennità di disoccupazione per i collaboratori coordinati e continuativi*); NASpl, new social employment insurance for employees scheme (*Nuova assicurazione sociale per l'impiego*).

Source: Compiled by Eurofound from information provided by the Network of Eurofound Correspondents, national administrative bodies, the Mutual Information System on Social Protection and other sources

Childcare support provided during maternity/paternity and parental leave periods usually counts towards contribution records (for instance with contributions made by the state in Malta). For informal care provided to people with long-term care needs, this is rarer and tends to be restricted, but in countries where it counts towards contribution records this includes care by the following people in:

- Germany, people caring for someone with a certain level of care needs (at least 2 days and 10 hours weekly)
- Ireland, carer's allowance or benefit recipients, and (for up to 104 weeks) people on unpaid carer's leave
- the Netherlands, personal care budget recipients (one year of care equates to half a year of employment)

Usually, required periods are given in months or weeks (for example, 50 weekly contributions in Malta), but sometimes they are specified in days (624 working days in Belgium) or even hours (910 hours in France, 480 hours in Sweden).

The period over which required contributions need to have been made differs between Member States. For countries requiring two years of contributions, these can be made over a period ranging from four years in Slovakia, 42 months in Belgium, to since one started working in Ireland (and 39 weeks in the year of unemployment, or 26 weeks plus 26 weeks in the previous year). For those requiring one year of contributions, the contributions can be made from previous periods ranging from 16 months in Latvia to 72 months in Spain. Between those extremes, the reference periods include 18 months in Bulgaria and Poland; 24 months in Czechia, Denmark, Romania, Portugal and Austria; 28 months in Finland (ansiopäiväraha and peruspäiväraha); and 30 months in Germany and Lithuania. In Malta, 50 weeks of contributions are required, 20 of which should be from the previous two years. The requirements in Slovenia (10 months), Croatia (9 months) and Greece (200 working days) need to be made in the previous two years (or 125 days in the previous 14 months in Greece). For countries requiring six months of contributions, the value varies: in the Netherlands, it must be within the previous 36 weeks; in Luxembourg and Sweden, within the past one year (with the last contribution requiring 80 hours per month, or six months uninterrupted with 50 hours per month); and in France, within the last 24 months. Cyprus requires 20 weeks of contributions to have been accumulated within the previous year. In Italy, the unemployment benefit for fixed-term contract workers scheme (Indennità di disoccupazione per i collaboratori coordinati e continuativi, DIS-COLL) requires one month of contributions since 1 January of the year prior to unemployment, and the new social employment insurance for employees scheme (Nuova

assicurazione sociale per l'impiego, NASpl,) requires either 13 weeks in the four years of contributions or 30 days of actual work in the previous year.

Usually, records need to be accumulated in the period directly preceding unemployment, except, for example, in Malta and Greece (two months before unemployment are disregarded). Sometimes contribution records must be (partly) continuous, and sometimes this is not required (for example, in Finland). Sometimes the reference period is extended by time spent in prison (Belgium, Hungary), pursuing full-time study, off sick or on childcare leave (Finland, Hungary). In France, the reference period is longer for people aged 53+ (36 months).

Recent changes have occurred, increasing requirements in the following Member States as follows:

- Finland (September 2024), from about 6 months to 12 months, counting contribution periods when enough income was earned instead of those when registered as employed previously (wage-subsidised work is no longer counted)
- France (2019), from 4 months in the previous 28 months to 6 months in the previous 24 months
- Latvia (2020), from 9 months in the previous 12 months to 12 months in the previous 16 months

People with disabilities are sometimes entitled to unemployment benefits after shorter contribution or employment periods, and to minimum income benefits with less stringent conditions (for example, regarding means tests). However, in many countries entitlement criteria for these benefits are the same as those for others, although sometimes they are provided through separate schemes (Baptista and Marlier, 2022).

Minimum age

In most Member States, people need to be aged 16 or older to qualify for unemployment benefits (Ghailani et al, 2021). In practice, the eligibility age is affected by required contribution records. For instance, in Latvia, people are covered from age 15 (minimum working age) but need to have contributed for one year, so can receive unemployment benefits from age 16. In Finland (age 17), Ireland (age 18), Greece and (for lower- and higher-tiered schemes) Sweden (age 20), people must be older. In Denmark, people can only join an unemployment insurance fund before the age 18 if they have done 18 months of vocational training. Recent graduates in Ireland face an additional waiting period of three months. Young people may have access to alternative unemployment schemes. For instance, in Sweden, there is a scheme for people aged 18–24.

Young people entering the labour market, often with irregular, atypical, unstable or precarious contracts, are often not entitled to unemployment benefits (for example in Finland (Sosiaaliturvakomitea, 2022a) and

Portugal (Caleiras and Carmo, 2020)). However, five higher-tier schemes require shorter contribution periods for young people in:

- Austria, those aged under 25 require 6 months' contributions in the previous year
- Belgium, those aged under 36 require 312 days' contributions in the previous 21 months, and those aged 36–49 require 468 days in the previous 33 months
- Denmark, recent graduates are entitled after graduation (subject to educational and language requirements) to an income-independent amount (which depends on being head of household or not), for a shorter period (one year since 2023).
- Romania, graduates are entitled if unable to find work within 60 days after graduation, but entitlements are lower (50% of reference social indicator)
- Slovenia, those aged under 30 require 6 months' contributions, but receive benefits for a shorter period (2 months)

Vocational training (Germany) or apprenticeships (Austria) may count towards the required periods. Lower-tier schemes may be available for people who do not meet the work requirements (Table A2). In Ireland, unemployed people under 25 not living independently are entitled to a lower amount of lower-tier unemployment benefit (€141.70 per week).

Long periods of unemployment

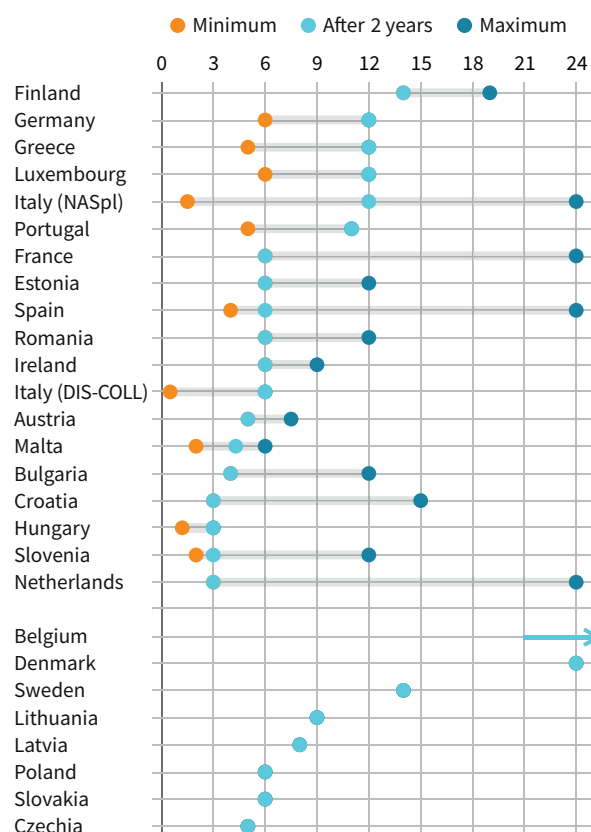
Higher-tier unemployment schemes are only of unlimited duration in Belgium, up until the statutory pension age (Figure 8). In Croatia, Ireland and the Netherlands, this is the case only for unemployed people in the oldest age group (Table 1). Lower-tier benefits in six Member States (Table A2) are also of unlimited duration. The duration of higher-tier benefits is at most two years (Denmark, France, Italy (NASpl), the Netherlands and Spain) in the other 26 Member States, and one year or less in 18 Member States and Italy's DIS-COLL. In Latvia, the duration was reduced from nine to eight months in 2020. In Czechia, a proposal to reduce the duration to three months was rejected. In France, since 2023, the entitlement period has been reduced by 25% when the unemployment rate in the country is below 9% and has not increased by more than 0.8% in the past quarter.

The duration increases with the contribution period in 19 Member States, ranging, for instance, from from one day of benefit per day worked (Luxembourg) to one day of benefit per 10 days worked (Hungary). In 14 of these countries, entitlement to the maximum duration is reached not after 2 years of contributions, but after

2.5 (Hungary), 3 (Austria, Finland, Malta), 4 (Italy's NASpl), 5 (Ireland), 6 (Spain), 10 (Estonia, Romania), 15 (Bulgaria), 25 (Croatia, Slovenia) or more (for example, 26 in the Netherlands) years. In Spain, where every six months' contributions entitle people to two months more benefits, in 2022, 23% of recipients were entitled to the maximum (only 2% of those aged under 30) and 18% to the minimum.

For higher-tier benefits, the (minimum) duration after two years' contributions or employment on record ranges from at least one year in eight Member States and new social employment insurance in Italy, to five months or less in eight Member States (Figure 8). In nine Member States, people are entitled to lower-tier minimum unemployment benefits when higher-tier benefits have run out.

Figure 8: Duration of receipt of higher-tier unemployment benefits (months), EU Member States, 2024



Notes: First-time withdrawals; reductions, for example, for dismissal due to misconduct (see the section 'Reasons for unemployment'), or additions for instance for people above a certain age (see the section 'Long periods of unemployment'), may be applied. Finland: the same applies for both ansiopäiväraha and peruspäiväraha. New social employment insurance, NASpl. Unemployment benefit for fixed-term contract workers, DIS-COLL. Source: Compiled by Eurofound from information provided by the Network of Eurofound Correspondents, national administrative bodies, the Mutual Information System on Social Protection and other sources

Longer periods are available for unemployed people:

- in training (in Austria, Czechia and Luxembourg), employment (for example, in Denmark) or treatment (for example, for substance abuse, in Lithuania)
- in areas with above-average unemployment (50% or above in Poland)
- with children (Sweden and – if all adults in the household are unemployed and no spouse has unemployment benefit – Poland)
- who are difficult to employ (Luxembourg)
- who belong to specific age categories (Table 1)

In Cyprus, people aged 63–65 are excluded from unemployment benefits (and career guidance or mentoring entitlements), as they are entitled to an early pension, which, however, reduces the value of their pension by 6 percentage points per year. In addition, they cannot receive redundancy allowances (to prevent agreements being reached between employers and employees and the depletion of the redundancy fund).

Self-employment

A rough estimate suggests that at least 6.6 million workers (based on data from 11 out of 13 Member States that lack coverage) and 15 million self-employed people (based on data from 12 out of 13 Member States that lack coverage) in the EU are not covered by unemployment benefit schemes (SPC and European Commission, 2024).

Table 1: Longer-term (higher-tier) unemployment benefits for older people

	Age	Entitlement extension
Portugal*	30–39	+ 30, + 120 and + 90 days for <15, 16–23 and 24+ months, contributions respectively
	40–49	+ 60, + 150 and +210 days for <15, 16–23 and 24+ months' contributions, respectively (and +15 days for every 5 years' contributions in the past 20 years)
	50+	+ 120, + 270 and + 210 days for <15, 16–23 and 24+ months' contributions, respectively (and +30 days for every 5 years' contributions in the past 20 years)
Austria	40–49 and contributed 6 years in the past 10 years	+9 weeks
	50+ and contributed 9 years in the past 15 years	+22 weeks
Czechia	50–55	+3 months
	56+	+6 months
Germany	50–54 and insured for 30 months	+3 months
	55–57 and insured for 36 months	+6 months
	58+ and insured for 48 months	+12 months
Luxembourg	50+ and ≥20 years' contributions	+6, +9 and +12 months if worked for 20–24, 25–29 and 30+ years' respectively
Poland	50+ and ≥20 years' contributions	+6 months***
France	53–54	+0–4.5 months (one day per day contributed beyond 18 months, up to 22.5 months)
	55+	+0–9 months (one day per day contributed beyond 22.5 months, up to 27 months)
	62+ and ≥ 12 years' insurance member	Until pension age
Slovenia	54–58 and >25 years' contributions	+7 months
	59+ and >28 years' contributions	+13 months
Finland	58+ and 5 years of contributions in past 20 years	+100 days
Lithuania	5 years before pension age (and no early pension receipt)	+2 months
Croatia	5 years before pension age and 32 years of employment	Until pension age
Netherlands**	60+	Until pension age
Ireland	65+	Until pension age

Notes: Sorted by the minimum age from which extensions are applied (from youngest to oldest); extensions are relative to the maximum for the age group prior to the youngest listed (disregarding extensions for training, employment, etc), for example in Slovenia unemployed people aged ≤53 with >25 years' insurance; *also for its lower-tier scheme; **Temporary scheme extended till 2024; *** Same as when living in a district where unemployment is >150% that in Poland, or when supporting a child aged 16+ with an unemployed spouse without unemployment benefit. **Source:** Compiled by Eurofound from information provided by the Network of Eurofound Correspondents, national administrative bodies, the Mutual Information System on Social Protection and other sources

Insurance may be mandatory for all workers. When the decision to make insurance contributions (or the level of protection provided by the insurance) is voluntary (higher-tier schemes in Denmark, Sweden and Finland (*ansiopäiväraha*)), groups are left without unemployment benefits or with minimum coverage, including through lower-tier schemes. In Sweden, where coverage by higher-tier unemployment insurance is voluntary for all workers, insurance fees are subsidised. This subsidy ceased from 2007 to 2014, and membership has not recovered to previous levels (currently around 70%). In Finland, about 15% of employees do not pay higher-tier insurance fees (Nelson and Nieuwenhuis, 2021). In Denmark, insurance fees do not vary with income, while benefits do, making them relatively unattractive to low-income earners. Furthermore, 12 of the 22 funds are restricted to certain groups, limiting risk sharing (for instance, the lowest-fee fund is for healthcare workers).

Insurance may also be voluntary for only some groups of workers, especially the self-employed. In Latvia, self-employed people can choose their level of protection. The minimum protection (contributing 10% of income) includes their pension only, not entitling them to unemployment or sickness benefits. In Austria and Germany, 0.3% (2019) and 1.9% (2018), respectively, of self-employed people had unemployment insurance. In Germany, to qualify for unemployment benefit, self-employed people must be insured (or receiving unemployment benefits from previous employment) before becoming self-employed, disqualifying over half of the newly self-employed. Insurance needs to be taken out within three months after becoming self-employed (Granzow et al, 2022). University-educated self-employed people are more likely than less educated people to be voluntarily insured (Jahn and Oberfichtner, 2020). Also in Romania, self-employed people rarely choose to the unemployment benefit system, leaving them uncovered. In Slovakia, insurance is also voluntary for the self-employed. In Poland, some people starting a business use the exemption from paying contributions (for two years), disqualifying them from receiving unemployment benefits.

Self-employed people, or subgroups of them (as for Germany, explained above), may not qualify for voluntary insurance. They lack access to unemployment benefits in more Member States than other aspects of social protection (for example, benefits related to accidents at work and occupational diseases, or paternity benefits). Unemployment schemes were often not designed with self-employment (or solo self-employment) in mind, and, for example, may also not define 'involuntary unemployment' by reason of bankruptcy or closure (Schoukens, 2022). Portugal excludes self-employed people who are neither individual employers nor members of statutory bodies, and who are not considered economically dependent

(Perista, 2021). Several schemes exclude self-employed agricultural workers (Greece, Spain). In Lithuania, the self-employed are excluded, except, for example, individual enterprise owners and members of small partnerships. Certain groups of self-employed are also excluded in Belgium, France and Italy (Unédic, 2023).

Self-employed people without higher-tier unemployment benefits may be entitled to lower-tier unemployment benefits (Estonia, Finland, Germany, Sweden), special minimum income benefits (the Netherlands), or regular minimum income schemes.

Several countries sought to increase protection for the self-employed.

- **France (November 2019):** A voluntary scheme for the self-employed began, entitling them to a maximum of €800 per month for six months, for uninterrupted self-employed activity for two years with an income of at least €10,000 per year. Following low take-up, in 2022 the income threshold was lowered, and accepted reasons for unemployment were broadened from court-ordered liquidation to include discontinuing an economically non-viable activity (Schoukens, 2022).
- **Italy (2015):** The DIS-COLL scheme for workers with atypical employment contracts or newly self-employed workers registered with the pension scheme (and, since 2017, grant holders, project-based workers and PhD students) losing employment was introduced. During the pandemic (2021), the extraordinary income and operational continuity allowance (*Indennità straordinaria di continuità reddituale e operativa*) scheme was added, entitling the self-employed whose income had decreased by 75% (compared to the previous year) to between €250 and €800 per month for six months.
- **Malta (2019):** The self-employed became entitled to unemployment benefits.
- **Portugal (2012):** The cap was reduced, along with – after 6 months – the amount and duration of the benefit, but economically dependent self-employed workers became entitled (and the required contributory period was shortened) (Branco and Cardoso, 2020).
- **Spain (2019):** A 2010 voluntary scheme for the self-employed was mandated.

In addition, Croatia (2018), Ireland (2019) and Lithuania (2017) opened-up schemes for self-employed (Eurofound, 2024b). In Ireland, unemployed people under 25 not living independently are entitled to a lower amount of lower-tier unemployment benefit (€141.70 per week). In 2024, Cyprus extended paid parental leave and occupational injury benefits to the self-employed, but not unemployment benefits, due to the cost to the system and the complexity of the issue.

Irregular, short-term and other groups of workers

Workers on irregular or repetitive short-term contracts and in marginal employment, including many seasonal workers, artists and low-paid part-time workers, are among groups without access to unemployment benefits. In Estonia, those in irregular and non-standard forms of employment (for example, freelance artists) face challenges qualifying for unemployment benefits or receive lower amounts (Koppel et al, 2021). In Italy, multi-period part-time workers (although since 2022 entitled to a €550 one-off allowance) and intermittent or on-call contract workers are left uncovered. In France, since 2019, people on contracts of under six months (for example, seasonal workers) have been excluded. Furthermore, the new requirement to have worked at least 130 days or 910 hours (around 6 months) since the last period of entitlement is unfavourable to workers on short-term contracts (Libération, 2022). In Greece, seasonal workers are covered under a specific scheme (*τακτικό επίδομα ανεργίας εποχικών ανεργών/τακτικό επίδομα ανεργίας εποχικών ανεργών*). They qualify for benefit amounts varying by profession or sector, after contributing for 50 to 240 days. Pandemic measures were often temporary (for example, in Romania, seasonal workers were entitled to three months' unemployment support). In Germany, a change introduced in 2020 was put into law in 2023: employees predominantly working on fixed-term contracts became entitled after 6 months' (instead of 12 months') compulsory insurance contributions in the previous 30 months. People in low-paid part-time employment are also sometimes excluded from receiving unemployment benefits (in Austria and Poland; and in Germany – 'mini-jobbers', those who earn a maximum of €538 per month and work a maximum of 70 days per year).

Workers with contracts for a specific task or job are sometimes excluded, such as copyright (Lithuania, Slovenia) and consumer contract workers (Lithuania). Sometimes they are only excluded if they earn below a specified amount (Czechia). In Poland, such jobs (for example, designing a website, writing a script for a teaching activity, preparing an architectural design) do not count towards contribution or employment records. In Slovenia, civil law contract work (for example, student work) is subject to some social security contributions but excluded from unemployment insurance (Spasova et al, 2017; Rataj et al, 2020; Ghailani et al, 2021).

Workers in specific new forms of employment (notably platform work) are also often not covered or entitled. However, usually this stems from their self-employment status, or difficulties to fulfil contribution record requirements (especially due to irregular work), rather than the status of their work as such.

Grant-funded work, for example by self-employed freelance workers in the creative industry in Estonia (Koppel et al, 2021), tends not to count towards

contribution record requirements. This is also the case for PhD students in some countries (for example, in Finland), while in others they are usually salaried (for example, the Netherlands, Slovenia and Sweden), or PhD grant work is covered (for example, in Italy since 2017).

Undeclared work and income are also excluded. For instance, in Italy, a gap between eligibility and actual applications for the *Disoccupazione Agricola* scheme may relate to the high rate of irregular work, especially among migrant workers.

Several countries where many domestic workers (due to undeclared work) and artists were often excluded from unemployment protection have recently moved towards including these specific professional groups.

The following countries have included domestic workers.

- **Italy:** Pandemic support was made contingent on domestic work being regularised (Eurofound, 2022a). A 2022 budget bill entitled domestic workers (and apprentices) to unemployment benefits.
- **Spain:** In October 2022, it became mandatory for these workers to have insurance.

The following countries have included artists.

- **Belgium:** In December 2022, the social protection law was adapted, creating an 'art workers' status and broadening categories of workers covered by the October 2022 'artwork benefit'.
- **Cyprus:** Legislation is expected to be submitted to the House of Representatives in September 2024, among other things establishing financial support for self-employed artists who are in precarious situations in relation to their social security.
- **Spain:** In 2023, unemployed cultural sector workers with 60 days of contributions over the previous 18 months became entitled to four monthly payments: 80% of the public multiple effects income indicator (*Indicador Público de Renta de Efectos Múltiples*, IPREM) (100% if average income was over €60 per day in the previous 60 days).

Reasons for unemployment

Unemployment benefits are usually unavailable to people who voluntarily discontinue their employment. In some countries, however, they are entitled to the same extent as others (lower-tier unemployment benefits in Estonia), to a reduced replacement rate (45% for the entire period in Czechia) or after a waiting period (4 weeks in Austria, 45 days in Finland, up to 12 weeks in Germany, 90 days in Poland, 3 months in Lithuania and 6 months in Malta).

People dismissed for misconduct are often excluded (for example, in Czechia), or face the same waiting periods as those who voluntarily discontinue employment (Germany, Lithuania, Malta), or longer waiting periods (180 days in Poland). Misconduct may

also disqualify unemployed people from receiving minimum income benefit (Luxembourg).

Minimum income benefit

Non-nationality

In some Member States, equal residency requirements are applied for nationals and non-nationals, whether from other EU countries or not: Cyprus requires five years and France requires six months (this will change to nine months from 2025). Other countries differentiate between nationals and non-nationals.

For EU citizens living in another EU country, the host Member State can 'decide whether it will grant social assistance during the first three months of residence, or for a longer period in the case of job-seekers' (Directive 2004/38/EC). Furthermore, EU Directive 2004/38/EC mandates that EU citizens have the right to permanent residency after a continuous period of five years' residence. Against this background there are differences in when EU citizens taking up residency in another Member State become entitled to minimum income benefits. They may become entitled:

- immediately (for example, in Bulgaria, Ireland and Portugal and, only if they have been or are employed, in Luxembourg and the Netherlands)
- after three months (for example, in Czechia, Luxembourg and the Netherlands)
- after one year (for example, in Spain; the period is shorter for some regional minimum income schemes; Dalli, 2019) or longer (in Finland, when considered permanent residents by the social security organisation)
- if having arrived and remained without work (and without a long-term residence permit): after at least five years of residency, if at all (Austria, Denmark, Germany, Luxembourg and Sweden)

In Denmark, they need to have had the status of a 'migrant worker' – having worked at least 10–12 hours for 10 weeks and being able to make a living from the wage – to qualify for minimum income (for six months if employed for less than a year). Even when not formally covered, in practice, EU jobseekers may receive support (for example, by the non-governmental organisation (NGO) Sveriges Stadsmissioner).

Residency requirements may be the same for third-country nationals who are not stateless or beneficiaries of international protection. However, usually they are stricter, especially for those with temporary rather than permanent long-term residency permits. Those with a temporary permit are:

- directly entitled (the Netherlands)
- entitled after some years (Luxembourg: 5 years' residence in the past 20 years)
- excluded from entitlement (for example, in Finland and Slovenia)

Cyprus and Malta grant third-country nationals residence permits for specific employment. Permits last maximum for a maximum of five years, disqualifying them from long-term residence and entitlement to minimum income benefits as five years' continuous residence is required for both. These workers make social security contributions but are not entitled to minimum income benefits (nor to unemployment benefits, as they cannot register at an employment office). Third-country nationals lose their residence permit when they lose their job, unless they transfer to a new job (in Malta, they must transfer within 10 days; and in Cyprus written permission from the previous employer is needed).

Third-country nationals with a long-term or permanent residence permit are:

- subject to the same criteria as nationals (for example, in Bulgaria, Lithuania, Luxembourg, the Netherlands)
- entitled after a period of residence (1 year in Spain and Portugal), sometimes so long that few third-country nationals qualify in practice (5 years in Austria, Greece and – down from 10 years – Italy; and 9 years, with regular 2.5-year periods of employment over the previous 10 years, in Denmark)
- subject to other restrictions related to sanctions (for instance, in Slovenia, third-country nationals are removed from the unemployment register if they do not pass a Slovenian language exam within a year)

Displaced people from Ukraine who fled the country after February 2022 are protected by the Temporary Protection Directive (2001/55/EC), activated by the EU in March 2022. They can enter the labour market and have access to key public services, including social assistance. However, mainstream social protection is not always adapted to their situation. For example, in Hungary, many refugees stay in the country as tourists, are unaware of the benefits and temporary protection status they could receive, or do not know how to apply for them. An application for temporary protection must be completed in person, and applications are processed within 45 days, during which no financial support is provided. This poses difficulties for some groups (Eurofound, 2024a). In Ireland, Ukrainian refugees mainly claim lower-tier unemployment benefits rather than minimum income benefit. Those entering state-provided accommodation after March 2024 are not entitled to the same benefits as Irish citizens, but get a lower allowance (€38.80 weekly for adults and €29.80 weekly for children).

Countries have separate financial support for asylum seekers, usually at levels well below the minimum income. This support includes allocation for asylum seekers in France (while refugees, stateless people and

beneficiaries of subsidiary protection qualify for minimum income support) and emergency assistance in Ireland. In Greece, asylum seekers or refugees qualify for minimum income benefit, but long-term residence requirements exclude them from other benefits, as highlighted by the European Commission in a notification letter launching infringement proceedings for the poor implementation of the Qualification Directive (Directive 2011/95/EU). The directive requires Member States to ensure that beneficiaries of international protection receive the same social assistance, as necessary, as provided to nationals. In Malta, third-country nationals under 'subsidiary protection' (facing serious risks if they return to their country of origin, but not refugees) qualify for subsidiary unemployment assistance.

Undocumented migrants (who are not asylum seekers, or whose asylum claim has been rejected) are not entitled to minimum income benefits in the EU, but may receive financial support (see European Commission, 2022). For instance, in Sweden, some municipalities financially support them.

However, when formally entitled, in practice non-nationals are discouraged from accessing minimum income benefits when take-up may jeopardise their residency situation. In Greece, sufficient resources without dependence on social assistance is needed for migrants to qualify for family reunification, and for EU nationals to obtain permanent residence. Naturalisation prospects may also be affected by minimum income benefit claims, as socioeconomic integration (of which financial status is a legal indicator) is a criterion for citizenship. In Malta, family reunification depends on third-country nationals having resources equivalent to the average wage plus 20% per family member. In the Netherlands, minimum income receipt can trigger temporary residence withdrawal.

Age and independent living

There is a minimum age for recipients in about half of the Member States (European Commission and SPC, 2022), often set at 18, as for instance in Belgium, the Netherlands and Slovakia. There are exceptions, especially for young parents. In Belgium, minors who are married, pregnant, or have a child are entitled. In Luxembourg, the minimum age is 25, except for people who are raising a child, pregnant, have a disability, or are long-term (home) carers.

A lower age limit for minimum income entitlement does not mean that people below that age go unsupported. However, alternative support may be at relatively low levels, may not enable independent living or may be left to parents or guardians. In France, for instance, one needs to be 25 or older to qualify for minimum income support (or be a single parent) but there is a separate scheme (*RSA jeunes actifs*) for 18- to 24-year-olds who

have worked a certain. Others aged 18–24 may be entitled to a (lower) 'youth commitment contract' benefit, a local 'youth assistance fund' benefit (usually between €45 and €455 per year, with varying eligibility criteria), or a more generous local benefit (for instance, Lyon's 2021 €400 per month scheme for people aged 18–24 who have exited education without support).

Minimum income receipt may not stimulate independent living if living independently is a prerequisite for or a barrier to receipt. Children living with parents or guardians are considered part of the household, so are usually not entitled to benefits individually until a certain age (for example, 18 in Finland, 20 in Sweden and 24 in Estonia). Students living on their own are excluded in Greece, as are single people under 28 in Cyprus. In Spain, people under 30 years old need two years of independent residence, reduced from three years in 2022. In Malta, no minimum age is specified, but recipients need to be responsible for their household.

Means and income

Minimum income benefit conditions usually include limits to savings and assets. For instance, the limits are €23,300 in Malta (for single people, €14,000), 60 times the social support index (*indexante dos apoios sociais*, IAS) (€30,555.60 in 2024) in Portugal, and a maximum of €5,000 savings (plus €1,000 per household member) and €5,000 in assets (no land can be owned) in Cyprus. Croatia excludes people who own a registered vehicle (except if they have a disability, limited mobility or are elderly) or have sold property in the past three years (regardless of the value).

Recent changes include:

- In Germany, from 2023, wealth thresholds for its lower-tier unemployment benefit increased from €3,100 (or €150 times the recipient's age) to €40,000 in the first year of benefit receipt for the first person in the household (thereafter, and for other household members, the threshold is €15,000).
- In the Netherlands, from June 2024, up to €1,200 per year of informal support is provided, reducing reporting requirements.

Sweden is exceptional in that, while judged on a case-by-case basis, generally homeownership prevents long-time receipt of the benefit (the benefit is awarded to homeowners somewhat more often in the short term), especially if, for instance, the house was purchased recently with a large down payment. In Austria, after three-years' receipt, regions may require homeowners to pay back (including from inheritance) minimum income support received. Elsewhere, ownership of the home in which the recipient lives is allowed, subject to limitations. Some countries focus on income (including from rent) to determine minimum income entitlement (for example,

Estonia, France, Hungary, Latvia). Other countries apply limits to the dwellings’:

- value in:
 - Cyprus and Spain, €100,000
 - Greece, €90,000, plus €15,000 per household member, capped at €150,000
 - Italy, €150,000
 - the Netherlands, €63,900 net of mortgages (2024)
 - Portugal, 5% of the dwelling’s value above 450 times the IAS (€229,167), which counts towards income, determining minimum income entitlement and amount
 - Slovenia, €120,000
- capacity to generate income from rent (Ireland, Slovakia). Slovakia does not assess this for homes used for ‘adequate permanent housing’ or any dwellings for people over retirement age (and using land for their own needs)
- space in:
 - Bulgaria, based on the number of rooms (one for singles, two for 2–3 people and three for 4 people)
 - Germany, a living space of 70 m² for singles (60 m² for apartments, plus 20 m² per household member)
 - Lithuania, a living space of 60 m² for singles (plus 15 m² per household member)

Asset or dwelling tests were sometimes dropped during the pandemic (for example, in Lithuania, until May 2024) and the cost-of-living crisis (for example, in Slovenia, from October 2022 to February 2023).

Income tests may inaccurately reflect current income situations. People whose income decreases below the entitlement threshold may not immediately be entitled when the entitlement depends on past income (for example, in Czechia; Marešová et al, 2022). In Rome (Italy), 21% of homeless people did not meet the income requirements, probably because they were considered to have above-threshold income for the previous two years (including the income of family members with whom the homeless person may still be registered) when their entitlement was assessed (Gatta, 2022). In Greece, if ex-spouses fail to pay alimony, authorities consider it paid in cash.

Entitlement to minimum income benefits (and lower-tier unemployment benefits) usually depends on household income, which can pose problems, for instance when resources are not shared well within the household. In Hungary, only one household member may receive minimum income benefits, which can pose a problem if more are without income (Árvai and Bogárdi, 2022). From December 2022, relatives are responsible for a person’s minimum sustenance before the state is.

In Greece, the Ombudsperson noted that support being for the household excludes people who, for lack of resources, move in with households with incomes above entitlement thresholds (Synigoros-Solidarity, 2020).

Locality or region

Sometimes entitlement criteria are stricter in certain geographical areas. In Latvia, municipalities can set the income threshold of a low-income household (for entitlement to minimum income) at between 20% (nationally defined as a ‘poor household’) and 80% of median income. Since 2023, to enhance poorer local governments’ ability to pay benefits, the state has covered 30% of minimum income (and housing) benefits.

Local authorities may have discretion in deciding benefit entitlement (for example, in Sweden; and Belgium, for young people living with their parents). While this facilitates responsiveness to circumstances that are hard to capture with entitlement criteria, it risks inconsistency and unfairness. In Hungary, minimum income eligibility depends on ‘livelihood and their family’s livelihood not being ensured by anybody else’, a criterion criticised as vague (Szabad Európa, 2022). In Finland, centralising the application process improved equality in decisions to award minimum income benefit.

Lacking an independent address or bank account

People without an address (mainly homeless people) face barriers to accessing minimum income benefits. Usually, a reference address will do. NGOs provide this to homeless people in Austria, Luxembourg and Portugal. Public authorities also play a role. In Lithuania, homeless people can declare residence at the local government offices. They can also declare residence at a shelter (and in France at social care centres), but that may discourage employers from hiring them. In Hungary, in 2017 about 70,000 people (5,000 children) lacked an address, required for social benefits (HVG.hu, 2017). While in 2024 administrative easing was implemented in registering an address, not everyone makes use of the improvements yet (Utcajogász Egyesület, 2024). Among homeless people in Rome (Italy), 79% meet the economic requirements to receive minimum income benefit; 40% also meet the residence requirements; and 51% have been in Italy for the required period (10 years; recently reduced to 5 years), but lack proof of address (Gatta, 2022).

A bank account facilitates benefit receipt, but some Member States allow for cash collection (for example Lithuania, in government and post offices). In Ireland, in 2022 (when 29.5% of social welfare benefits were paid in cash through the post office), lower-tier unemployment benefits became paid in cash by default for control reasons, reverting to the pre-pandemic situation. In contrast, Denmark has a cashless government.

Living in institutions and other specific situations

People in institutions may be excluded explicitly, or because they are unavailable for work. This includes prisoners (unemployment benefit in Czechia and minimum income benefit in Latvia and Slovenia). Some NGOs seek to support affected households (for example, *Hazavárunk* in Hungary). Long-term social care and social rehabilitation residents are also sometimes excluded (for example, from minimum income benefit in Latvia).

In Greece, people in homelessness facilities are not classified as being in a household so are not entitled to benefits. To receive minimum income, they must provide a municipal certificate confirming their homelessness. Athens issues the certificate only to people living on the streets identified by the municipality staff's street work, excluding homeless people living in facilities, squatting or couch surfing.

Non-take-up

People may not receive the benefits they are entitled to according to the entitlement criteria, regardless of whether they applied or not. This phenomenon is referred to as 'non-take-up' in this report. The impacts of, prevalence of, reasons for, groups at risk of, and measures to address non-take-up have been previously mapped (Eurofound, 2014, 2015). This section provides some updates on non-take-up, specific to unemployment and minimum income benefits. The focus is on non-take-up among people in particularly vulnerable situations, hampering the effectiveness of benefits in reducing poverty and social exclusion.

Prevalence and groups at risk

Given the nature of non-take-up, it is challenging to estimate it. If those entitled were easily identifiable, the problem of non-take-up could be promptly solved. Most estimates rely on population surveys to identify people who are entitled. However, some of those identified may fail wealth tests, as data may only include income and not savings or assets (as in EU-SILC, which is often used for estimates). This, for instance, partly explains why non-take-up of means-tested minimum income benefits in Italy during 2019 was estimated to be higher (58%) with survey data than with administrative data (53%) (European Commission, 2023c).

Unemployment benefit

Compared with minimum income benefits, unemployment benefits tend to have lower non-take-up due to their more straight forward entitlement criteria and limited required documentation (non-means-tested), greater awareness of them, lower stigma attached to

receiving them and there being fewer people in particularly vulnerable situations among those entitled. Non-take-up may include people likely to be unemployed only briefly.

Still, non-take-up of unemployment benefits can be problematic for certain groups, and rates can be considerable. In France, 25%–42% of eligible private sector employees do not receive higher-tier unemployment benefits within a year after becoming unemployed (Hentzgen et al, 2022). This rate is higher for people with longer work histories and those dismissed from open-ended contracts. In Estonia, 26% of people eligible for higher-tier benefits and 14% for lower-tier benefits do not receive them (Eurofound, 2015). The German lower-tier unemployment benefit has an estimated 37% non-take-up (Bruckmeier et al, 2021). Non-take-up may be higher for the self-employed owing to the complexities of demonstrating previous income and reasons for unemployment (in Slovenia, for example due to long-term illness, insolvency, an accident, substantial material damages or the loss of a business partner).

Unemployed people also face the non-take-up of other support, importantly minimum income benefits. In Cyprus, some people do not re-register at an employment office after exhausting their unemployment benefit, disqualifying them from receiving minimum income support. In Lithuania, 48% of unemployed people entitled to minimum income support do not receive it.

Minimum income benefit

Non-take-up affects between one-fifth and half of those entitled to minimum income benefit in the 17 Member States for which well-researched estimates were identified (Table 2). For most other Member States, non-take-up was also identified as a problem (see the section below on 'Reasons for non-take-up').

Non-take-up is probably more severe for people who do not receive the benefits they are entitled to for a longer time than for those who do not receive them for a shorter time. In the Netherlands, 33% of those entitled to but not receiving minimum income support had not received it for over a year. In France, 20% of people entitled to minimum income support had not received it for nine months or longer.

In Spain, non-take-up was identified as the main reason for the scheme's ineffectiveness in reducing poverty (AIREF, 2023). In Czechia, if households in socially excluded areas (where non-take-up is 68%) received the benefits they are entitled to, 45.6% of this group would be at risk of poverty instead of 52.0% (Federičová et al, 2022).

Table 2: Minimum income non-take-up estimates, EU

Member State	Year	Non-take-up (of entitled households) (%)	Groups in which non-take-up is higher
Austria	2015	30 (in Vienna in 2016–2018, 33)	People who live in rural areas, have lower entitlements/income ratios, have a high level of education, are in employment, have no migration background, are not single parents, have no chronic health problems and are homeowners
Belgium	2019	37–51 (people of working age)	Males, younger and older adults, highly educated people, homeowners, people who are not single parents and healthier people
Bulgaria	2007	41–68	
Czechia	2020	28	Households in socially excluded areas, often Roma
Finland	2017	32–35	
France	2018	34	Couples without children, graduates, people aged 25–29, homeowners, and people living in rural areas or in the Paris metropolitan area
Greece	2017/2018	About 40	
Hungary	2003	43–45	
Italy	2019	53	
	2020	30	Foreign nationals, older and smaller households, households headed by a female and island inhabitants
	2021	38.5	
Lithuania	2016	22	Single-person, single-parent households
	2021	49	Married people, people living in rural areas or smaller settlements, employed people and co-habiting unemployed people
Luxembourg	2007	59–71	
Netherlands	2021	35	People aged under 27, self-employed people and people with a European migration background
Poland	2005	24–57	
Portugal	2000	28	
Slovakia	2009	79	
Spain	2022	58	Homeowners, employed people, single men, people in rural areas and people without children
Sweden	2001	31	

Source: Updated in accordance with, complemented by and/or adapted from Eurofound (2015); Fuchs et al, 2020; Goedemé et al, 2022b; Gabnyte et al, 2020; Česnuitytė, 2022; Hannafi et al, 2022; Heuberger, 2021; Tervola et al, 2023; Giuliano et al, 2022; Rodrigues, 2004; EAPN-Spain, 2024

Reasons for non-take-up

Understanding non-take-up

The term ‘non-take-up’ incorrectly suggests that people decide not to take up a benefit, comparing the financial gain with the (monetary and non-monetary) costs of applying for and receiving it. Rather, non-take-up can be explained from four angles: factors related to the individual, benefit scheme rules, benefit administration and broader societal context. For instance, blaming non-take-up on people not seeking out or understanding information (individual angle) ignores other possible reasons, such as the complexity of the rules (benefit scheme rules angle), the complexity of the administrative procedures and lack of support (benefit administration

angle), or lack of access to high-speed internet and education (broader societal context angle). Similarly, perceived stigma can be associated with all of these four angles for non-take-up (Eurofound, 2015). However, as shown below, sometimes the problem is approached from one angle only.

Non-take-up seems less severe in terms of consequences for people whose circumstances are better. In some countries, non-take-up of minimum income benefits is higher among groups in better economic situations (for example, Austria, Belgium, the Netherlands, Spain). In the Netherlands, non-users often have another source of household income, earning 20%–100% of the minimum income (Houtzager et al, 2022).

Still, among these groups some may be unaware of the entitlement or how to apply. Even when people decide not to take up the benefit because they feel it is not worth the effort, that decision might have been different if the process were more straightforward. Non-take-up may concern considerable amounts (for example, in Belgium, 66%–78% concerns at least €500 per month). When better-off groups do not take up the benefit, it may also be due to greater stigma associated with receiving the benefit in these groups. Furthermore, they may be better off than other people entitled to the benefit but still among the worst-off in society. For instance, in Spain, 70% of people likely experiencing non-take-up were in the last income bracket entitled to minimum income benefit (from €400–€570 for singles, to €880–€1,240 for two-adult households with three or more children). This group still has a low income, and 30% are in lower income brackets. Finally, underlying reasons may also affect (smaller) groups of people in more vulnerable situations, and regardless of the numbers, these groups can also be affected.

Some people do not claim benefits because they have undeclared income and want to avoid the scrutiny that comes with benefit receipt or feel they are not entitled. For instance, in Greece, 11% of people in the bottom income decile reported being familiar with minimum income benefit but did not apply for unspecified reasons, possibly including people with undeclared income, which should be addressed for reasons beyond non-take-up.

Unemployment benefit

Bureaucracy, the complexity of systems and ambiguities contribute to non-take-up, for instance causing unawareness of the need to register at an employment office and to apply before a certain deadline in Finland (Eurofound, 2015).

Unemployed people who are ‘new to need’, because they have lost their jobs for the first time or have just entered the labour market, are at a higher risk of non-take-up. They are less likely to know entitlement rules and how to apply, lack connections to service workers or acquaintances with benefit-related knowledge, and may face more stigma (Eurofound, 2014, 2015; Marešová et al, 2022; MSSL, 2022).

Minimum income benefit

Lack of awareness

Bureaucracy, the complexity of systems and ambiguities play a central role in explaining non-take-up of minimum income benefits, according to research and official documents in multiple countries: Czechia, Estonia, Finland, Greece, Italy, Lithuania, the Netherlands, Portugal, Slovakia, Slovenia and Spain

(Perista, 2021; Federičová et al, 2022; National Audit Office of Estonia, 2023; Primorski dnevnik, 2023). For instance, in Lithuania 62% reported lacking information about entitlement, and 37% were unaware of where to apply (MSSL, 2022). Sometimes the complexity of specific elements of the system poses a barrier.

- **Finland:** Being eligible (and needing to apply) for multiple benefits simultaneously (Finnish Institute for Health and Welfare, 2022).
- **Italy:** Needing to submit an indicator of the economic condition of a family (*indicatore della situazione economica equivalente*).
- **Lithuania:** Needing to submit an application online and (if applying in person) caring commitments or lack of transport, and needing to collect various documents.
- **Spain:** Eligibility conditions and the required documentation.

Such problems can affect groups in relatively vulnerable situations.

- **Greece:** Of bottom-income-decile earners not applying, about a quarter had never heard of minimum income benefit, half had but did not know any details, and just over one-tenth thought they did not qualify (some probably rightly because of asset tests) (World Bank, 2019).
- **Italy:** 1.1 million poor households did not file an indicator of the economic condition of a family declaration in 2018 (Boscolo and Gallo, 2023). Among homeless people in Rome who knew about, but never applied for, minimum income benefit, 25% lacked documents and found it difficult to produce them, 17% found it difficult to obtain residency and 10% did not know they were entitled to them.
- **Netherlands:** There is a lack of information in an accessible language for people with disabilities and migrants (Inspectie SZW, 2021; Houtzager et al, 2022).
- **Slovakia:** Among segregated communities, non-take-up was attributed to limited information about eligibility, geographical distance and unaffordability of travel, administrative illiteracy, fear of formal communication and demotivating bureaucratic proceedings (Csomor and Csillag, 2015).

Many homeless people face challenges in providing tax documents, public utility bills and landline telephone bills. In Czechia, 27% of homeless people living on the streets receive social benefits from an employment office, with higher rates among homeless people in temporary (66%) and night (42%) shelters (charging fees) (Holpuch and Nešporová, 2020).

Stigma

Stigma associated with benefit receipt can be greater in certain groups and countries (Eurofound, 2015; Federičová et al, 2022). For instance, higher non-take-up of minimum income benefits in Sweden than in Finland is partly explained by greater stigma in Sweden (Tervola et al, 2023). In the Netherlands, self-employed people in particular do not take up benefits because of pride (Houtzager et al, 2022). In Slovenia, to receive minimum income benefits, one must exhaust all possible means of income, including maintenance allowances. For example, children of claimants must confirm that they are unable to bear their parents' subsistence costs; some parents are probably reluctant to ask this of their children (Trbanc et al, 2022). In Austria, non-take-up is higher in rural communities, probably partly as a result of lower stigma, higher needs (due to housing costs) and better information flows in urban areas (Fuchs et al, 2020).

Discrimination and lack of trust in authorities

In segregated communities in Slovakia, a lack of institutional trust, a sense of inferiority because of ethnicity and a fear of (or experience of) discrimination increase non-take-up (Csomor and Csillag, 2015). In the Netherlands, reasons for non-take-up include reluctance to share personal data with the government (Houtzager et al, 2022).

Fear of repayments

People's fear of having to pay back benefits they have claimed, whether they have made a mistake in complex application procedures, or because benefits depend on information that is unknown at the application stage, leads to non-take-up. In the Netherlands, a scandal arose when low-income childcare benefit recipients were asked to pay back benefits (for example, because relatives paid for their groceries), driving many people into overindebtedness and leading to children being removed from their parents' homes. This fear of needing to pay back benefits already contributed to non-take-up before the scandal, and the scandal has probably increased it, including for minimum income benefit. In Slovenia, in December 2020, 16,183 people owed €6.8 million (93% minimum income benefits; 7% other benefits to cover basic living costs) that they had received, often because beneficiaries had failed to promptly inform authorities about changing situations. This reflects a year-on-year increase from 10,223 people owing just over €4 million in 2017 (Court of Audit, 2021). Furthermore, Slovenia is the only Member State where minimum income benefit received over a lifetime can be reclaimed after recipients' deaths, putting the economic (and housing) situation of partners and other family members at risk. Such restitution through inheritance proceedings (not enforced from October 2022 to February 2023) rose from 1,178 in 2018 to 1,597 in 2021.

This probably contributed to non-take-up (the requirement to return the 'income supplement' from inheritance, introduced in 2012, instantly reduced take-up, while a repayment discount and exemption for family homes from 2017 increased take-up).

Administrative errors

Authorities may fail to provide benefits to applicants entitled to them. For instance, in France, over the years regions have refused around 200 applications based on illegally applied savings thresholds (Médiapart, 2020).

Reducing non-take-up of unemployment and minimum income benefits

Measures to address non-take-up of unemployment and minimum income benefits, and related rights, can target a benefit scheme's design, the administration of the benefit, factors related to the individual, and the broader social and legal context. Here, the focus is on proactive measures taken by governments and likely to be particularly effective (Eurofound, 2015).

Automating payments

Removing the need to apply can reduce non-take-up, but comes with challenges such as privacy and legal issues related to connecting databases, and the adjustment of eligibility criteria for ease of automation rather than to align with needs (Eurofound, 2015). Portugal automated social electricity (and gas) tariff attribution in 2016, including for minimum income benefit recipients. Recipients increased from 108,000 (13,000 for gas) in 2015 to 767,000 (34,000 for gas) in 2016. In September 2021, 14% (763,319) of households connected to the network received the tariff (3.6%, or 53,417, for gas). In Latvia, since the pandemic, it has been possible to grant minimum income benefit based on previous applications.

Reducing the application burden

Digitalisation has improved access and reduced the application burden for some groups, reducing non-take-up among them (for example, for minimum income benefit in France; Abdouni et al, 2022). Sometimes registration at an employment office automatically triggers an unemployment benefit application (for example, in Malta), and municipalities can check minimum income benefit entitlement electronically (in Sweden). Alternatively, laws and systems may have been introduced to allow benefit agencies to access applicants' information from other government bodies (in Bulgaria in 2019), sometimes requiring applicants' permission (in Cyprus). Further simplification is envisaged (in Cyprus in 2024), including to increase the interoperability of databases (Digital Italy 2026).

Finland (in 2019) made it compulsory for employers to include paid income and (since 2021) daily allowance in the tax register. About two-thirds of unemployment funds consider the data sufficient (Sosiaaliturvakomitea, 2022b). Still, complementary information needs to be submitted (JHL, 2023). Slovakia (in December 2022) expanded data drawn from public systems, removing the need to submit, for example, birth, marriage, death and ownership certificates, and proof of income from pension or sickness benefits. Data still lacking include foreign parents not listed on birth certificates, Social Insurance Agency data (for instance, on degree of disability), and Register of Natural Persons data (for instance, on marital status) for foreigners with residence permits.

Enabling social services to facilitate the application process

In 2022, Spain created a registry of social entities that can certify minimum income benefit applicants' complex household situations. In Finland, social services have been able to apply for minimum income benefit on behalf of those entitled since 2022. Additionally, there are pilots schemes in which social services can inform the assessment of claims by providing statements on applicants' situations.

Addressing fragmentation

Complexity stemming from fragmentation (with responsibilities divided between government spheres, or local or regional diversity) has sometimes been reduced for minimum income benefits.

- **Austria:** In 2010 and 2011, regional schemes were harmonised nationally, reducing non-take-up (Fuchs et al, 2020). However, since 2020, there has been a lack of agreement on the national scheme's continuation.
- **Finland:** In 2017, administrative responsibility was transferred from municipalities to a national body to enhance the equal treatment of applicants and streamline application procedures. The number of households receiving minimum income benefit increased by 16% from 2016 to 2017, partly because of reduced non-take-up (Korpela et al, 2020; Tervola, 2022). Supplementary municipal social assistance requires a centralised minimum income benefit decision, adding administrative burden and complicating access to social assistance, especially for elderly applicants, immigrants and people with mental health issues or substance dependency (Government proposal HE 127/2022).
- **Romania:** In 2024, a new scheme is being implemented, and one of its aims is to streamline and simplify the application process.

- **Spain:** In 2020, a national minimum income benefit floor was set; regional schemes can supplement this (in terms of amount or coverage) or (for example, Madrid) be discontinued.

Informing the population

Information campaigns: Population-wide information campaigns have sought to address unawareness (Spasova et al, 2023; OECD, 2024a). These general information campaigns could also seek to reduce stigma around receiving benefits. However, such information provision has been criticised as being too passive. For instance, in the Netherlands it was argued that efforts should rather proactively identify people who may be entitled (Inspectie SZW, 2021). In Greece, it was noticed that advertising was not well targeted at the groups in vulnerable situations entitled to minimum income benefits (Court of Auditors, 2021).

People approaching authorities: One-stop social security portals and chatbots play a role in providing information (Spasova et al, 2023; ISSA, 2024; OECD, 2024a). In Lithuania, a portal (from 2021) – disseminated through the media and municipal websites – provides plain language information tailored to people's situations, and it was recommended that tools be identified for disadvantaged people and that e-service usage be encouraged to simplify processes and speed up decisions (NAOL, 2019). Portugal has personalised support, although the use of technical language may challenge access, especially for the target groups.

Targeted informing of people likely to be entitled: France (from 2025) plans to send pre-filled application forms (as it does already for income tax) for minimum income benefit (and activity allowance and housing benefit). Claimants should validate and complete the data (for example, with details of their family situation, self-employment income and maintenance payments). From 2024, employers should declare the amount used to calculate social benefits (as they do for net taxable income), already indicated on payslips since 2023. Employment offices inform recipients 30 days before their entitlement ends, and renew it based on available information if the client does not reply. In Greece, the three-monthly renewal of the unemployment card can trigger the non-take-up of benefits requiring this card. Since 2020, email alerts have been sent before cards expire. Minimum income benefit recipients, since 2021, have received email and text message alerts on upcoming benefit suspensions or renewals. Lithuania seeks to identify households experiencing difficulties, establish relationships and support them in accessing assistance.

Facilitating retroactive claiming

No Member State was identified as addressing non-take-up by paying minimum income or unemployment benefits retroactively. Entitlement is from the date applications are made (for example, in the Netherlands and Romania) or judged complete

(for example, in Cyprus). An exception comes from outside the EU: the United Kingdom retroactively pays minimum income benefit and unemployment benefit, albeit only for 1 and 3 months, respectively (and 12 months for state pensions).

3 Inadequacy

This chapter identifies groups of benefit recipients who are particularly likely to face problems making ends meet, receive particularly low amounts (including inadequate inflation compensation) or face larger expenditure needs for which benefits do not adequately compensate.

Difficulties in making ends meet regardless of benefit receipt

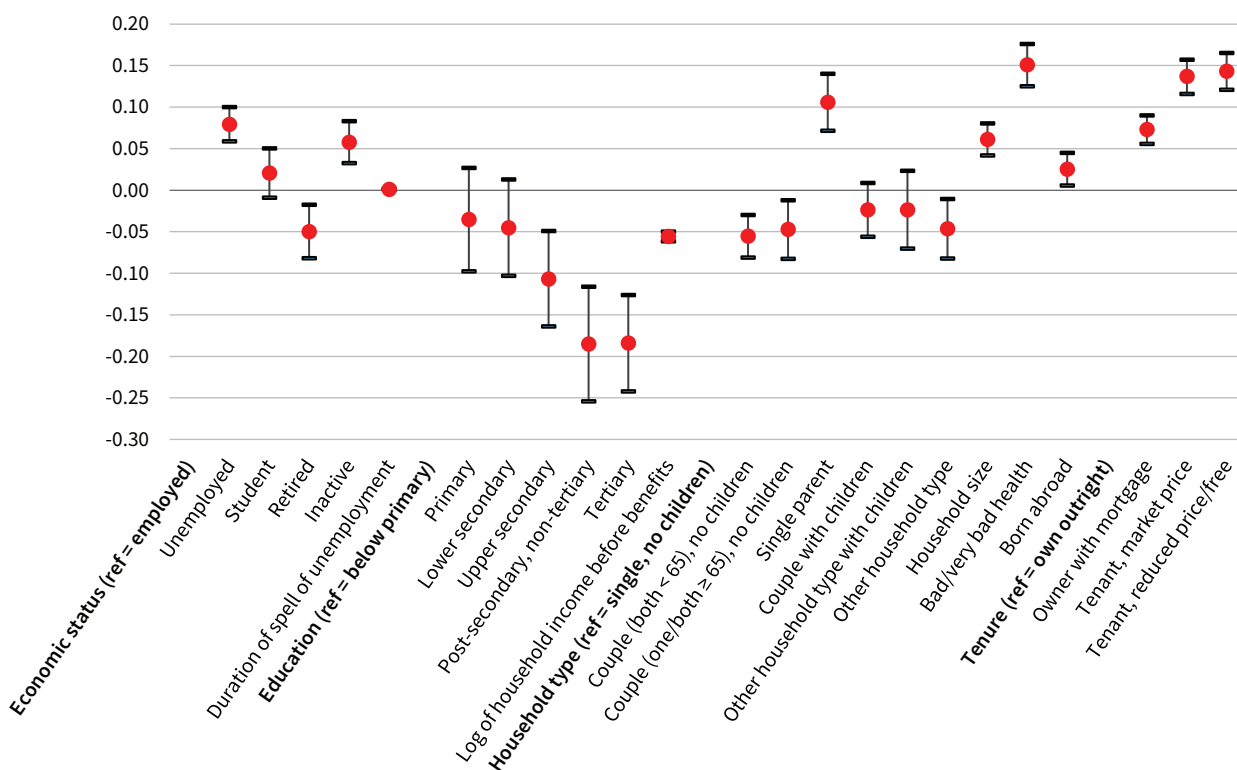
In the EU, 30% of social exclusion or unemployment benefit recipients report difficulties in making ends meet, ranging from 11% in Denmark to 79% in Greece.⁶ Those more likely than other benefit recipients to face difficulties making ends meet include recipients who:

- have experienced longer spells of unemployment in the past five years (possible reasons for difficulty include having faced benefit decreases, for example because unemployment benefits ran out, or depleted savings)

- have lower educational attainment (possible reasons include employment in sectors with worse social protection, regardless of prior income)
- are single parents (possible reasons include having higher childcare needs and being less able to rely on partners for such needs)
- have bad self-reported health (a possible reason is having greater needs, such as healthcare expenditure, that are inadequately compensated for)
- are born abroad (possible reasons include lower (average) entitlements, for example owing to shorter within-EU unemployment benefit contribution periods and less savings)
- are in rental or mortgaged accommodation (possible reasons include higher expenditures and lower savings)

Benefit recipients with otherwise similar characteristics (controlling for the variables in Figure 9) are least likely to report difficulties in making ends meet in Denmark,

Figure 9: Difficulty making ends meet among social exclusion or unemployment benefit recipients, by explanatory variable, EU, 2022 (marginal effect)



Notes: Marginal effects (red circles) and 95% confidence intervals from a logit regression (with dependent variable 'household finding it difficult or very difficult to make ends meet'), controlling for respondents' age, degree of urbanisation (neither are statistically significant) and Member State. Survey weights were applied. ref, reference.

Source: Authors' calculations, based on EU-SILC microdata

⁶ Authors' calculations, based on EU-SILC microdata for 26 Member States (no data are available on receipt of social exclusion benefits in Romania). For more information on social exclusion benefits, see 'Introduction'.

Estonia, Finland and Germany, and most likely in Bulgaria, Croatia, Cyprus and Greece.

National evidence illustrates the financial strain experienced by benefit recipients. In Finland, among benefit recipients, many experience problems meeting sudden costs (7 in 10) or rent or mortgage payments (1 in 6), paying bills on time (45%) or affording a decent meal every second day (10%) (Finnish Institute for Health and Welfare, 2023). However, even if benefits do not eliminate financial strain, they can reduce it. In Latvia, 71% of unemployment benefit recipients found it important (Kruks et al, 2021).

Links between monetary benefits

Looking at minimum income and unemployment benefits in isolation ignores the role played by other benefits and services (see ‘Introduction’ and chapters ‘Social protection: Poverty reduction and expenditure’ and ‘Service entitlements’). This chapter partly draws on national research reports which take the national context into account. This section provides some illustrations of further monetary benefits received by minimum income and unemployment benefit recipients.

Sometimes lower-tier unemployment benefits top up income from higher-tier income benefits up to a minimum level (for example, in Malta, lower-tier unemployment benefit *benefiċċju speċjali għal diżimpjeg*). In Germany, 9% of higher-tier unemployment benefit recipients also received lower-tier unemployment benefits in 2021). In some other countries minimum income benefits do this. In Finland and Sweden, 40% and 27%, respectively, of lower-tier unemployment benefit recipients (and 45% and 25%, respectively, of housing benefit recipients) received minimum income benefits in 2016–2017. These social benefits lower minimum income benefit entitlements (Tervola et al, 2023). It is more common for minimum income benefit recipients to also receive unemployment or other benefits in some countries than in others. In Finland, 90% of minimum income benefit recipients also receive another benefit, mainly housing or unemployment benefit. In Croatia, 0.6% of minimum income benefit recipients also receive unemployment benefit (2021).

In Czechia, minimum income benefit includes housing support. In 2024, Romania combined previous minimum income and family support allowances into a single minimum income benefit. In Greece, minimum income beneficiaries cannot receive some other benefits (for example, child benefits). Child allowances are considered in the income tests for minimum income benefits, usually compensated by child-related minimum income benefit increases, for example in Germany and Spain. In Lithuania, most minimum income recipients with children are entitled to an income-dependent child supplement, and in Slovenia,

they are entitled to various family allowances. Several countries have specific child allowances (for example, Belgium). In Poland, universal child benefit is separate and excluded from the means-tested income for minimum income benefit, while unemployment benefit is included. Sometimes, these separate benefits are a key source of income for households without other benefits due to lack of previous employment, not seeking employment or not having a disability (for example, in Hungary).

Furthermore, especially minimum income schemes sometimes have top-ups for those most in need. In France, the percentage of minimum income benefit recipients receiving a supplement decreased from 19% in 2019 to 11% in 2020. Malta, from 2024, has abolished three one-off payments for unemployed people not entitled to higher-tier benefits but with a contribution record of at least 60 weeks (€287.40), whose higher-tier benefit has run out (€249.08), or whose employer does not pay them (for example, as a result of bankruptcy).

Unemployment benefit

Low prior income

In 22 Member States, higher-tier unemployment benefits are a proportion of prior income. Five Member States have (partly) income-independent higher-tier unemployment benefits (Table 3). All lower-tier unemployment benefits are independent of prior income (except in Austria; see Table A2). Some higher-tier schemes are partly income dependent, for example with a fixed component and a top-up that depends on prior income (in Lithuania and Romania), including those in Greece and Malta, which had income-independent schemes until 2024, as had Ireland, moving to a fully income dependent scheme. Replacement rates directly following unemployment vary from between 50% and 55% in Slovakia, Latvia and Austria to between 80% and 90% for those fully insured in Denmark, Luxembourg, Sweden and Slovenia. Except in Denmark (where it is the best-paid twelve months in the past two years), the basis is average income over a specific recent period. Usually that period is the months directly preceding unemployment (for example, the previous three months in Croatia and Luxembourg), but in Estonia, for instance, the average income in the nine months preceding the previous three months of employment is taken.

Even higher replacement rates may not enable households to make ends meet, especially for low-paid workers. In Romania, for instance, 1.9 million people (33% of the workforce) earn the minimum wage (increased from RON 2,550 (€513) to RON 3,000 (€603) in March 2023), entitling them to between RON 484 (€97) and RON 694 (€140) per month. In Estonia, the monthly at-risk-of-poverty threshold was €741.30 per month in 2021, about double the minimum higher-tier (€337.90)

and lower-tier (€327.05) unemployment benefits. These benefits facilitate survival (for example, by enabling recipients to buy food and clothing), but not social participation (Koppel et al, 2021). In 2023, in Czechia, 96.9% of unemployment benefit recipients received amounts below the maximum of CZK 22,798 (€910) per month.

Income-dependent unemployment benefit amounts are capped (Table 3). Caps range from below 40% (Greece, Finland: *peruspäiväraha*, Malta, Poland, Slovenia) and between 40% and 60% (Austria, Belgium, Czechia, Denmark, Hungary, Ireland, Italy, Lithuania and Spain), to over 150% (Estonia, Germany, Latvia, the Netherlands, Romania and Spain) of national average wage. In five Member States, caps reduce over time (Belgium, Croatia, Ireland, Luxembourg and Sweden). In Sweden, it is SEK 26,400 (€2,296) per month for the first 100 days (reflecting a temporary increase in 2020 from SEK 20,020 (€1,741), made permanent in 2022), or up to about SEK 80,000 (€7,067) for certain trade union members with income protection benefit. Portugal lowered the cap from 3xIAS to 2.5xIAS in 2012 (the IAS remained unchanged at €419.22 from 2009 to 2016; after it increased to €509.26 in 2024). In Czechia, it is 58% of the average wage in the first three quarters of the calendar year preceding unemployment, up from CZK 18,111 (€721) (for retraining, CZK 20,297; €810) in 2019 to CZK 22,798 (€910) (for retraining, CZK 25,549; €1,020) in 2023.

Contributions sometimes only need to be made when earning over the wage that entitles people to the maximum benefit (for instance, in Bulgaria and Latvia). Sometimes, though, the income over which contributions need to be paid is capped at a much higher level than the income that would entitle one to the maximum unemployment benefit (for instance, in Czechia), or not capped at all. For instance, in Hungary, prior earnings of 167% of minimum wage entitles unemployed people to the maximum unemployment benefit, but employer and employee contributions are also paid above that wage.

In schemes that are partially income dependent, the minimum is set by the fixed part of the benefit (for example, in Finland, where the minimum *ansiopäiväraha* equals the *peruspäiväraha*). In other income-dependent schemes, the minimum is usually implied by the minimum wage (for example, both in Hungary and Malta, 60% of the minimum wage). In cases of part-time work or absence of a mandatory minimum wage, benefits may be topped-up by minimum income, support and/or with a means-tested unemployment benefit (see ‘Links between monetary benefits’). In contrast, the Dutch unemployment benefit is not paid if it is less than 12.5% of the minimum wage. Some schemes, however, apply specific minima, sometimes set as a proportion (different from the replacement rate) of the minimum wage.

- **Austria:** €37.01 per day.
- **Belgium:** €54.21 (single person) to €66.89 per day for two adults with child(ren).

- **Bulgaria:** BGN 18 (€9) per day.
- **Estonia:** €410 per month (50% of minimum wage).
- **Spain:** 80% (with children: 107%) IPREM plus one-sixth.
- **France:** €31.59 per day.
- **Ireland:** €125 per week.
- **Portugal:** €586.50 per month (1.15 times the IAS, or reference wage).
- **Sweden:** SEK 510 (€45) per day (SEK 255 (€22) if not full time).
- **Slovenia:** €530.19 per month.

Longer-term unemployment

In 14 Member States, the proportion of the reference amount decreases over time. In Poland, the reference amount itself is reduced. In France, reductions in time are applied only for people with benefits above a certain threshold (and in Denmark, only for those receiving a top-up). Finland (September 2024) and Latvia (2020) have recently implemented the reductions indicated in Table 3. Other countries achieved (Denmark and Greece) or stepped up (Spain) reductions over time by increasing payments in earlier periods of unemployment. Since 2023, Denmark has applied an increased maximum unemployment benefit for the first three months. It further increased benefits during the first three months for certain groups of unemployed people. In Greece, after being 55% of prior income in the first six months, the benefit equals the minimum amount for the final six months (€479 in April 2023). Until 2023, the minimum was received for the entire period. Spain, from November 2024, will apply increased entitlements for the first six months and (to a somewhat lesser extent) for the next six months of its lower-tier unemployment benefit ‘*subsídio del desempleo*’, while leaving those for the remainder of the period unchanged (Table A2). Currently, it pays 80% of the IPREM for the entire period.

After maximum entitlement periods, unemployed people usually transfer to (lower) means-tested (lower-tier, minimum income) benefits, or (in Belgium) an amount that does not depend on prior income.

Lower replacement rates: Sectors, employment status, and work histories

Replacement rates sometimes vary by sector and employment status (especially having been self-employed or not), contract type and insurance regime. In voluntary schemes, the self-employed often contribute minimum amounts, resulting in low unemployment benefits (for example, in Czechia). In Italy, replacement rates for the self-employed in the entertainment sector equal those in other schemes (75%), but are lower in agriculture (40%, or 30% for those on a permanent contract) and other sectors (25%, through the extraordinary allowance to guarantee income and

operational continuity (*Indennità straordinaria di continuità reddituale e operative*). Replacement rates are also lower for some of the groups recently added, such as cultural workers in Spain. Ireland kept self-employed income-independent benefits when relating unemployment benefits to income, for considerations including a lack of real-time earnings information and lower contributions.

Shorter contribution records lead in three Member States to lower replacement rates (Ireland, Latvia) or benefit amounts (Poland), and may disqualify unemployed people from receiving other entitlements when they become unemployed (for example, severance payments for employees having worked for under five years with their employer in Estonia).

Compensating for greater needs

Replacement rates (in Germany, Luxembourg and Portugal) or maximum amounts (in Spain) are sometimes higher for people with children. In some countries, benefits are increased for dependent children (for example, in Greece). Only exceptionally are people with disabilities compensated for their greater needs by additional amounts of unemployment benefit (Baptista and Marlier, 2022). In France, when people become unemployed, disposable income decreases to below the replacement rate due to a loss of the activity allowance (partly compensated by increased housing benefits), except for single parents with two children and single-earner couples with three children. Households with more than three children face greater inadequacy.

Table 3: Higher-tier unemployment benefits: replacement rates, decreases over time, and caps, 2024

Member State	Initial replacement rate	Decrease	Maximum (per month, unless otherwise specified)
No reductions			
Income dependent			
Luxembourg	80% (85% for those with children)		≤ 6 months: 2.5 × MW 7–12 months: 2 × MW 13+ months (if extended): 1.5 × MW
Portugal	65% (+ 10% for those who have children or are single, or where both partners are unemployed)		2.5 × IAS (€1,273)
Bulgaria	60%		BGN 107.14 (€55) per day
Cyprus	60%		€1,214
Germany	60% (67% for those with children)		Base: €7,550 (eastern Germany: €7,450)
Hungary	60%		MW (HUF 7,733; €20 per day)
Austria	55% (maximum of 80% if entitled to family allowances)		€72.01 per day
Slovakia	50%		NAW (€47 per day)
(Partly) income independent			
Romania	75% ISR (+ 3% of prior income if ≥ 3 years' contributions, to 10% if 20+ years' contributions)		No
Greece	Prior income: <ul style="list-style-type: none"> ○ ≤ €222.42: €255 ○ €222.43–444.84: €382.25 ○ €444.85+: €509.75 (+ 10% per dependent adult or child)		€509.75

Member State	Initial replacement rate	Decrease	Maximum (per month, unless otherwise specified)
Reductions			
Income dependent			
Denmark	90%	For unemployed people receiving a top-up in the first three months because they have been insured for ≥ 4 years (instead of the 1 year requirement) and earned twice the minimum required over the past 3 years (i.e. DKK 526,46; €70,572)	DKK 24,199 (€3,242) (3+ months: DKK 20,359 (€2,728); part-time is DKK 16,133 (€2,163))
Slovenia	80%	4–12 months: 60% 12+ months: 50%	€892.50 (€1,785 for people resident in Slovenia who work in neighbouring countries)
Sweden	80%	201–300 days: 70%	≤100 days: SEK 1,200 (€104) per day 101+ days: SEK 1,000 (€87) per day
Italy	NASpl and DIS-COLL: 75% (25% of amount exceeding €1,352.19)	6+ months (8+ months for people aged 55+): 3 percentage points per month	€1,470.99 (2023)
Netherlands	75%	3+ months: 70%	Base: €275 per day (extended benefit for those aged 60+: 70% of MW)
Spain	70%	181+ days: 60%	175% (1 child: 200%; 2+ children: 225% IPREM) plus one-sixth
Belgium	65%	3–12 months: 60% 13–14 months (plus 2 months per year of contributions): 40% (cohabitants), 55% (single), 60% (cohabitants, with children) after: proportion gradually reduces (after at most 36 months) to fixed amount for 49+ months: €717.08 (cohabitants), €1,381.90 (single), €1,705.08 (cohabitants, with children)	Cohabitants with children (from May 2024): €2,187.38 4–6 months: € 2,019.16 7–12 months: €1,881.88 13–24 months: €1,758.64 25+ months: €1,739.14 (from the 13th month, maximum amounts are lower for singles and cohabitants without children)
Czechia	65% (retraining: 60%)	2–4 months: 50% 5+ months: 45%	58% of NAW (retraining: 65%) (CZK 24,608; €981) (retraining: CZK 27,578; €1,099)
Estonia	60%	101–360 days: 40%	60% (101–360 days: 40%) of 3 × NAW
Croatia	60%	91+ days: 30%	1–90 days: 70% of NAW (€711.01) 90+ days: 35% of NAW (€355,51)
Ireland (late 2024)	50% (for 5+ years contributions: 60%)	4–6 months: 55% 7–9 months: 50%	5+ years' contributions: 1–3 months: €450 per week 4–6 months: €375 7–9 months: €300 2–5 years' contributions: €300 per week (extended benefit for those aged 65+: €232)
Malta	60%	7–16 weeks: 55% 17–26 weeks: 50%	175% of MW
France	57% (or, if higher, 40.4% + €12.95 per day)	7+ months: allowances exceeding €91.02 reduced by 30% (except for people aged 57+)	€280 per day
Latvia	50% (10–19 years' contributions: 55%; 20–29 years: 60%; 30+ years: 65%)	3–4 months: 75% of the initial amount 5–6 months: 50% 7–8 months: 45%	Base: €78,100 per year
(Partly) income independent			
Finland (ansiopäiväraha)	peruspäiväraha (€37.21 per day) + 45% wage (20% for wages > €3,534.95) (for participants of employment promotion services, additions are 55% and 25%, respectively)	40 days: 80% of the initial amount 170 days: 75% of the initial amount	90% of previous wage (participants of employment promotion services: 100%)

Member State	Initial replacement rate	Decrease	Maximum (per month, unless otherwise specified)
Reductions			
(Partly) income independent			
Finland (peruspäiväraha)	€37.21 per day	40 days: 80% of the initial amount 170 days: 75% of the initial amount	Income independent
Lithuania	23.27% of MW (€ 215.01 per month) + 38.79% of income	4–6 months: 31.03% 7–9 months: 23.27%	58.18% of NAW
Poland	80% of PLN 1,662 (€390), the basic allowance (5–20 years' contributions: 100%; ≥ 20 years: 120%)	4–6 months: same proportions, but of reduced basic allowance (PLN 1,305.20; €305)	Income independent

Notes: IAS, the social support index; IPREM, the public multiple effects income indicator; ISR, reference social indicator; MW, minimum wage; NAW, national average wage. Gross amounts; NASpl, new social employment insurance; DIS-COLL, unemployment benefit for fixed-term contract workers.

Source: Compiled by Eurofound from information provided by the Network of Eurofound Correspondents, national administrative bodies, the Mutual Information System on Social Protection and other sources

Minimum income benefit

Receiving low amounts

Minimum income schemes have evolved in most Member States from aiming to guarantee minimum income support and prevent extreme marginality, to serving an ambiguous function of providing income support while favouring social and labour market inclusion (Natili, 2020). Minimum income schemes are often designed to allow people to survive rather than to facilitate living in dignity. The minimum income brought income close to the at-risk-of-poverty threshold (60% of the national equivalised household median income) in only four Member States. Adequacy is lowest in Bulgaria, Romania, Latvia, Czechia, Poland and Hungary, well below 40% of the single-adult, at-risk-of-poverty threshold (Almeida et al, 2022).

Country-specific examples

Latvia's Constitutional Court (2020) determined that minimum income did not ensure dignified lives (in 2020 it was €64 for a single person, up from €53 in 2019). In Riga, on average, it brings income up to 15% of the poverty risk threshold (State Audit Office of the Republic of Latvia, 2020). From 2021, it is set at 20% of national median income. Since, it increased from €109 (plus €76 per family member) in 2021 to €137 in 2024 (plus €96 per family member). In 2023, the Constitutional Court mandated that the amounts need to increase from 2025. In Finland, a study concluded that benefits did not suffice to ensure dignified lives, provide necessities for survival or facilitate societal participation (Finnish Institute for Health and Welfare, 2023). Poland's Commissioner for Human Rights (Wiącek, 2022) considered the government's 2021 social assistance benefit indexation insufficient.⁷ Since 2022, the maximum minimum income benefit has increased to

PLN 600 (€141) (for single adults, PLN 776; €182), compared with a 'subsistence minimum' (satisfying minimum needs in the sense of 'preventing biological threats to life') from PLN 775.42 (€181) (for single-adult households) to, for instance, PLN 2,713.38 (€637) for households with two adults and two children aged 4–6 or 13–15. In Czechia, the 'living minimum' is the income needed to satisfy basic needs like food. A lower subsistence minimum, ensuring survival (in 2023, CZK 4,860 per month; €192), was introduced to enhance motivation to engage in paid work for adult minimum income benefit recipients who are under 69 years old and without a third-degree disability. In Romania, 2% of recipients (mainly single adults) are lifted out of poverty by the minimum income benefit (Țoc and Buligescu, 2020). In Portugal, all working age minimum income benefit recipients' income is between 61% (for couples with two children) and 71% (for single adults, with or without a child) below the level that ensures 'human dignity', defined by Pereirinha and Pereira (2023). This compares to 40% (for couples with two children) to 52% (for single parents) for minimum wage recipients.

Usually, minimum income benefits bring income up to a certain level, often adjusted upwards if children and people with disabilities are in the household. Sometimes, minimum income benefit levels depend on actual costs (for example, in Finland and Sweden). In Finland, high housing and medical costs often drive minimum income entitlement (Korpela et al, 2020). When minimum income benefit is independent of costs, the amount of other (for example, housing) benefits received may still be cost dependent (Eurofound, 2023a).

Some countries have changed the benefit base. Bulgaria linked minimum income benefit to a poverty threshold, increasing the number of people entitled to them by 83% (June 2023). The poverty threshold was increased

⁷ The most recent expenditure data available are from 2021.

to BGN 504 (€258), raising the entitlement threshold by BGN €91 (€47) and amounts by between 65% and 120% depending on the target group – the largest increase in 10 years. The proportion of general minimum income (BGN 75; €38) paid depends on age, marital status (the benefits are individual, but both spouses' incomes are considered), health and property ownership, varying, for example, from 73% for co-habiting working age people to 182% for single people aged 75+.

Area of residence and tenure

Minimum income amounts sometimes vary by municipality or region. In Estonia, municipalities can set rent (per square metre) and electricity thresholds above which housing and electricity costs are reimbursed fully through the minimum income benefit. Some municipalities with higher rent have lower thresholds than those with lower rent. Electricity cost thresholds vary between €25 and €400, even though prices are equal. Notably, municipalities with the lowest thresholds are not necessarily the wealthiest (National Audit Office of Estonia, 2023). In Spain, in 2021 minimum amounts of regional schemes varied, for instance from €400 in Madrid to €706 in País Vasco, and maximum amounts from €706 in Cantabria to €1,273 in Navarra. The national scheme seeks to reduce such inequalities. In Czechia, minimum income benefit minus income from other sources is an amount securing basic living conditions; 'reasonable housing costs' are deducted from the income, up to 30% of post-benefit income (35% in Prague). In Belgium, local welfare agencies have discretion regarding the level of benefits paid out. In Sweden, minimum income benefits are partly set nationally (based on the costs of food, clothing, leisure, health, newspapers, telephones and so on) and partly specific to the household and living area costs (based on the costs of reasonable housing, home insurance, work trips, trade union membership and unemployment insurance).

Benefits may not provide enough compensation for those living in more expensive areas. In particular, housing costs differ between areas and tenure (for instance, depending on access to social housing; Eurofound, 2023a), while benefits may not, or to only a limited extent. Most within-country variations in minimum income benefit stem from differences in levels of income allowed to cover housing and heating costs judged reasonable (Marchal and Cantillon, 2022). In Finland, minimum income benefit recipients in the Helsinki metropolitan area most often cannot afford material and social necessities because of high rents. However, the minimum income benefit levels out regional differences by reimbursing housing costs up to a regional limit (Finnish Institute for Health and Welfare, 2023). In Cyprus, minimum income tenants in Limassol and Nicosia in particular face difficulties, mainly due to steep rent increases and limited rent compensation by

benefits. In France, all other things being equal (sociodemographic factors, household composition), minimum income benefit recipients face poorer living conditions than recipients of other benefits (for example, the disabled adults' allowance (allocation aux adultes handicapés), especially people who are limited by health problems, unemployed or inactive, born abroad, isolated from family or friends, or living in mobile homes, Paris or overseas territories (where costs are higher) (INSEE, 2021).

Disabilities

Minimum income benefits sometimes include specific supplements, allowances or additional one-off payments for people with disabilities (Baptista and Marlier, 2022). Support through separate (sometimes interlinked) schemes may also be provided (for example, Hungary and Slovakia). In 2021, in France, 1.25 million people received the disabled adults' allowance, a higher benefit than minimum income benefit, for disabled people aged 20+ (or 15+ if living independently) with incomes below a certain threshold. However, benefits may insufficiently compensate for greater needs. For instance, in Czechia, people with disabilities were among those for whom benefits are particularly insufficient (Marešová et al, 2022).

Children

Sometimes, minimum income benefits increase up to a certain number of children (for example, three in Czechia and five in Slovakia) or provide equal support for certain ranges (for example, for one to four children in Slovakia). Overall, the propensity to struggle to make ends meet increases with the number of children (Figure 9). However, Luxembourg's 2019 minimum income reform, for instance, increased amounts by 19–51% for households with children and reduced those for households without children.

Minimum wages, general child support generosity and extra support to groups in vulnerable situations contribute to protecting single parents from poverty (Aerts et al, 2022). Single parents are more likely to receive minimum income support (30% of single-parent households report income from social exclusion benefits, compared with 13% across other household types), and, among benefit recipients, they face greater difficulties in making ends meet (Figure 9; Chapter 'Recipient characteristics'). Single parents are identified as a group with particular problems making ends meet even when entitled to additional minimum income compensation (in Cyprus) or tax credits (in Luxembourg), sometimes, for example, because they face relatively high housing costs (in Slovakia). In Czechia, single households, especially single parents, are among those for which benefits are particularly insufficient (Marešová et al, 2022). Sometimes, single parents receive minimum income top-ups, in some cases achieving greater adequacy for them than for

other households, such as in Finland (Finnish Institute for Health and Welfare, 2023).

Temporary measures implemented during the cost-of-living crisis

Cost-of-living crisis support included energy allowances and value-added tax reductions (Eurofound, 2022b; see also Eurofound's COVID-19-related EU PolicyWatch). Temporary support also specifically targeted:

- unemployment benefit recipients in:
 - Finland (2023), child supplement recipients received a 20% top-up
 - Germany (July 2022), adult (lower and higher tier) unemployment benefit recipients received €200, and higher-tier unemployment benefit recipients an additional €100
 - Ireland, higher-and lower-tier (and other groups) benefit recipients received double the amount (October 2022) and €200 (April 2023, and, for only lower tier, January 2024)
- minimum income benefit recipients in:
 - Denmark (June and August 2023), those with children received additional support
 - Finland (2023), those under 18 years old received a 10% top-up
 - Portugal (April 2022): recipients received €60 (and in March 2022 social electricity tariff recipients), and in 2023, an additional €30 per month up until November 2023
 - Slovakia (2022), those with children received hygiene packages
 - Slovenia (2021–2023), recipients received €150 and €200 payments

With regard to longer-term increases, since March 2022, in Portugal social electricity tariff recipients have been entitled to €60 per month, later extended to all households receiving minimum income benefit. Additionally, from 2023, minimum income benefit recipients and other groups received an additional €30 per quarter.

Inflation adjustments

Automatic indexation

The minimum income is automatically indexed in over half (15) of Member States, and lower-tier unemployment benefits in almost half (5) of the Member States that have them. Higher-tier unemployment benefits are indexed in under one-third (eight) of Member States (Table 4).

Automatic indexation of minimum income has been stepped up recently. Countries have implemented it (Latvia and Romania in 2024; Slovakia in 2019) and enhanced it (Latvia in 2021; Slovakia in 2019; and Romania in 2024). In Ireland, indexation was discussed by the Committee on Budgetary Oversight in July 2023. In Greece, although it has not been considered officially, academics, social agencies, trade unions and political parties argue for restoring the 1982–1990 automatic indexation process.

'Automatic indexation' is understood here as a fixed mechanism by which benefits are adjusted to prices or wages at set intervals; this may or may not be topped up by government decisions. However, the mechanism can also be set aside; for instance, in Finland, index adjustments are currently frozen until 2027, except for the minimum income. In Portugal, the IAS was frozen from 2009 to 2016 (the period of the Great Recession followed by austerity imposed by the European Commission, International Monetary Fund and European Central Bank as a condition for aid). Romania did not update the ISR in 2022.

Indexation basis

Indexation is based on national (minimum or average) wages, general consumer price indexes or, especially for the minimum income, price indexes for basic goods (Table 4). Indexation may also happen indirectly, as benefits depend on bases that in turn depend on average wages (the minimum wage in the Netherlands) or on consumer price indexes (the minimum pension in Austria).

Indexation based on general consumer price indexes sometimes excludes products such as tobacco (as in Belgium, which also excludes alcohol and petrol, and France). Slovakia, since April 2023, has indexed the subsistence minimum using a low-income-specific price index (before, it used average net income increases, if below that price index). The subsistence minimum increased from €234.42 in July 2022 to €268.88 in July 2023 (for single adults).

Benefit levels depend on the level of 'social indicators' in Portugal (IAS), Romania (ISR, *indicator social de referinta*) and Spain (IPREM). In turn, these indicators usually take into consideration general consumer prices, but, for example, in Portugal gross domestic product growth is also considered.

Belgium, Finland, Luxembourg, the Netherlands and Romania use the same base for indexation for unemployment benefits as for minimum income. So does Germany, but only for lower-tier unemployment benefits. Denmark indexes both unemployment and minimum income benefits by average private wage developments, but deducts a 0.75 percentage-point

Table 4: Member States with automatic indexation of unemployment and minimum income benefits, by indexation basis, 2024

Benefit	National wages	Inflation	
		General	Basic needs/low-income household
Minimum income	Denmark: private sector average wage Latvia: 20% of median wage Netherlands: (around 70% of) minimum wage	Austria (through minimum pension) Belgium Finland (through National Pensions Index) Malta Romania (through ISR) Slovenia	Germany (70%) France Lithuania Luxembourg Portugal (through IAS) Slovakia
Unemployment (lower tier)	Estonia: minimum wage Germany: 30% average wage	Finland (through National Pension Index) France Portugal (through IAS)	Germany (70%)
Unemployment (higher tier)	Denmark: private sector average wage Netherlands: minimum wage	Belgium Finland (through National Pension Index) Luxembourg Malta Poland Romania	Italy

Notes: ISR, reference social indicator; IAS, the social support index in Portugal.

Source: Compiled by Eurofound from information provided by the Network of Eurofound Correspondents, national administrative bodies, the Mutual Information System on Social Protection and other sources

adjustment rate for unemployment benefits (not for minimum income benefits).

- Unemployment:** In Estonia, the level of unemployment benefit depends on the minimum wage, which is decided in collaboration with trade unions and employers confederations (which agreed it should reach 50% of national average wage by 2027). Italy uses an index for blue-collar and white-collar family expenses for its higher-tier benefit, while non-generic price indexes used for minimum income indexation cover more basic needs.
- Minimum income:** Germany is unique in indexing by both average wage (30%) and a price index specific to low-income households (70%).

Frequency and reference period

The frequency and reference period of indexation vary. It is usually annual (twice a year in the Netherlands), based on price developments or wages in the previous year. However, Finland bases it on the third quarter of the previous year, and Denmark on two years earlier.

In terms of the minimum income, in Belgium and Luxembourg adjustments are mandated if indexes compared with the previous adjustment have increased by more than a certain threshold (this happened in 2022–2023). Luxembourg indexed the minimum income three times in 2023. Belgium indexes any month after the month when the threshold is reached. In Germany, the consumption price indexation part is based on the

price change between the middle of the previous year and a year before that, updated (since 2023) mid-year based on the change in price during the second quarter of the previous year and that of the year before that; this can lead to under- or overcompensation for inflation. In 2020, Slovenia reduced indexation from twice a year to yearly. Latvia implemented indexation for once every three years in 2021, but increased frequency to yearly in 2023.

Higher-tier unemployment benefits are indexed especially in countries where the maximum benefit duration is relatively long (Belgium, Denmark and the Netherlands), or when the amount is partly or fully independent of prior earnings (Finland and Romania), but also in some other countries (Italy and Luxembourg). (Figure 8; Table 3). However, minimum and maximum amounts may be adjusted for inflation both when levels are not indexed (for example, indirectly through social indicators in Spain and Portugal) and where they are (for example, in Romania) (Table 3). However, sometimes they also depend on government decisions (for example, Slovenia has not changed the minimum since 2019; Sweden increased it in 2020, the first time since 2015). When unemployment benefits are not indexed, other income that unemployed people may receive (and the prior wage on which their benefit depends) may be indexed. For instance, Austria has no automatic indexation for lower- or higher-tier unemployment benefits, while it has for minimum income and other benefits (special assistance, nursing

grant and retraining allowance). Cyprus has no indexation for unemployment nor minimum income benefits, but wages, pensions and child benefits are indexed.

Non-automatic indexation and the cost-of-living crisis

In countries without automatic indexation, benefit adjustments depend on government or (for example, for minimum income benefit in Estonia) on parliament decisions, which vary in regularity, involvement of stakeholders and attention to inflation. The distinction from automatic indexation is somewhat blurred, as these decisions may be timed regularly and with attention to inflation, in accordance with set rules. Countries with automatic indexation also applied increases above the automatic indexation, especially by government decisions during the cost-of-living crisis.

Since 2022, larger-than-usual benefit increases have taken place. Sometimes, unemployment and minimum income benefits increase based on the same indices. For instance, both benefits increased owing to increases (beyond usual indexation) in the minimum wage in the Netherlands (by 8.05% in 2023) and the pension index in Finland (by 3.5% in August 2022). In Finland, purchasing power increased more for benefit recipients than for low-wage groups (Finnish Institute for Health and Welfare, 2023). Malta, from 2022, increased social benefits (including minimum income benefit and lower-tier unemployment benefits) with the full cost-of-living adjustment, previously two-thirds.

Unemployment benefit

Poland indexed unemployment benefit in September 2022 to PLN 1,200 (€282), besides the usual June indexation. Overall, it increased from PLN 1,240.80 (€291) in 2021 to PLN 1,491.90 (€350) in 2023. Greece increased higher (April 2023) and lower-tier (May 2022) unemployment benefits.

Minimum income benefit

Sometimes adjustments are considered at a fixed frequency – usually annually (for example, in Sweden) but every two years in Cyprus and every three years in Poland – and sometimes not (for example, in Greece).

In several countries where adjustments are decided by government or parliament, and not made by automatic indexation, inflation is considered. In some of them prices of basic needs are considered (Cyprus, Czechia, Estonia, Poland). In Czechia, changes are allowed if the index has changed from the previous year by more than a certain amount (this happened in 2022–2023). In Spain, benefits depend on the IPREM, which is not indexed automatically but the government should consider inflation (and national average wage, general economic trends and economic opportunities) when setting it. Inflation forecast is considered in the IPREM, which increased to €600 in 2023 and 2024, from €537.84 in 2017–2020. However, it was outpaced by actual inflation, and minimum income was increased by 15% from April 2022.

In some cases benefits remained unadjusted for (low) inflation for long periods (for example, in Slovakia, they were not adjusted from 2009 until 2019). In Cyprus, the minimum income level is determined by a minimum standard of living basket, but the government has kept it unchanged since the benefit's implementation (2014); only a rent provision has been added. In Hungary, the minimum income was 80% of the minimum pension, which depends on a government decision and has remained unchanged since 2008 at HUF 28,500 (€72) per month. From 2023, social benefits depend on budget rather than on the minimum pension. NGOs note that social benefit increases may be lower than minimum pension increases in the future (neither of them increased in 2023). Greece increased its minimum income from €200 to €216 (for 2024). Belgium implemented increases in addition to indexation, for instance in January and July 2023. Slovenia increased the basic amount in April 2024, from €465.34 to €484.88. France in August 2023 exceptionally increased the minimum income by 4%, but then increased it by less than other benefits (1.6%) in the April 2024 annual indexation. Income thresholds also increased. For instance, Estonia raised the income ceiling for minimum income support in June 2022 (it had remained unchanged since 2017). Lithuania, besides increasing the minimum income, permanently lowered the share of income considered in the income test.

4 Online benefit applications

This chapter explores the extent to which benefit application procedures have been digitalised, addressing access problems and support. Other important aspects of benefit digitalisation are left for further research (for information on the use of artificial intelligence in employability assessments, see the chapter ‘Economic activation: Making work pay, sanctions and support’).

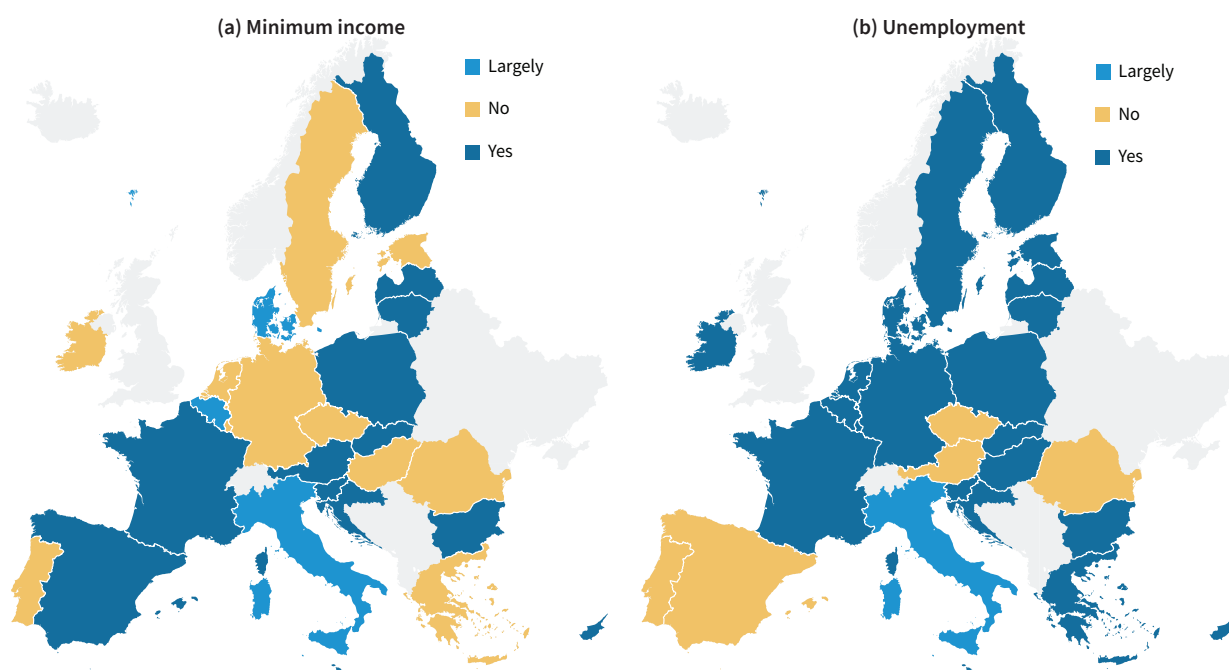
Member State overview

Applying for benefits online is possible in most Member States (Figure 10). Only in Czechia, Portugal and Romania do application processes for both unemployment and minimum income benefits remain largely in person. In Portugal, the pandemic-triggered 2020 Action Plan for Digital Transition envisages the digitalisation of public services. Currently only subsequent applications made since March 2023 for unemployment benefit can be submitted online, and in-person applications are forwarded digitally within the government. In Czechia, only some one-off benefits and child benefit applications can be completed online. Steps are being taken to digitalise unemployment benefit applications, which require scanned application

forms. Romania is in the process of digitalising application procedures, which cannot yet be completed online.

The option to apply online is more common for unemployment benefits than for minimum income benefits. Only in Austria and Spain is the opposite true. In some countries, minimum income benefit applications are completed in person, but can also be submitted by post (Ireland, Luxembourg). Usually benefit recipients must attend the offices of employment agencies to fulfil activation-related requirements. Sometimes this is required even prior to benefit receipt: Italy requires both minimum income benefit and unemployment benefit applicants to sign a plan for integration into work at an employment office (alternatively, to receive minimum income benefit, a social inclusion plan, which includes a digital activation plan, must be signed at an office of the municipal social services. In Denmark, minimum income benefit applications can be submitted digitally but require a visit to the job centre. However, such visits are usually necessary after the application process, mainly for unemployment benefit recipients (see Chapter ‘Economic activation: Making work pay,

Figure 10: Can benefit applications be fully completed online? 2024



Notes: ‘Largely’ indicates the need to sign an agreement (Italy), visit a job centre (Denmark) or adhere to other in-person steps in the initial registration (Belgium). In Austria, only lower-tier unemployment benefit applications can be completed online (as well as in person). In France, minimum income for young people (*Revenu de solidarité active jeune actif*) can only be applied for in person or by post; in Estonia, minimum income can only be applied for in person in some municipalities; in Estonia, this type can only be applied for in person in some municipalities. In Malta, both benefits can be applied for online.

Source: Network of Eurofound Correspondents and Eurofound desk research

sanctions and support'). For instance, in Luxembourg unemployment benefit recipients must attend appointments with employment counsellors at least once a month. In Latvia, they need to attend the premises of their employment service with three days' notice.

In Ireland, in-person registration was required to obtain a card to verify the claimant's identity, for example to set up a MyGov account, which is needed, for instance, to complete digital higher-tier unemployment benefit applications or to collect minimum income payments at post offices. From July 2024, identity can be verified with an App. In Cyprus, both benefits can be applied for online, but paper documents need to be obtained. In Slovakia, holders of temporary protection status (including Ukrainians) are entitled to minimum income benefit. Status applications can be completed online, but confirmation needs to be completed in person and a national bank account may need to be opened.

Developments since COVID-19

The pandemic has accelerated the digitalisation of application procedures and/or increased their usage, although they were sometimes discontinued after the crisis and/or involved a relatively low-tech process (for example, submitting scanned documents or moving face-to-face meetings online or conducting them by phone, without well-developed digital systems). However, digitalisation processes usually started before the pandemic. General systems and regulations to facilitate online applications have been established. Some Member States have also enhanced the digitalisation of social protection systems as part of their recovery and resilience plans, including benefit application processes (for example, Belgium, Croatia, Lithuania).

In Croatia, applicants have been able to submit documents for benefit applications online since 2010–2011 (and also for about a decade in Slovenia). In February 2020, the procedure was simplified, facilitating the confirmation of unemployment status and benefit applications by email. Italy's 2014 Public Digital Identity System is a tool for online public services with 35 million users (as of May 2023). Bulgaria, in 2019, legalised digital applications with electronic signatures. In Ireland, by 2021, three million people had registered with MyGovID, introduced in 2010. During the pandemic, Cyprus digitalised application procedures for both benefits (envisaged in the European Commission's 2019 country-specific recommendations), Malta did not allow paper applications and digitalised benefit applications, and Latvia, where digital applications were already possible, increased opportunities to submit documents remotely (online or by post).

With regard to unemployment benefits, Belgium gradually digitalised the application procedure from 2019. Germany has digitalised applications gradually since 2016. From 2019, unemployment and other (non-minimum-income) benefits could be applied for online. Greece, by 2020, had received 5.5 million online employment office service applications (for unemployment benefits, the renewal of unemployment cards, maternity benefits and so on; minimum income applications must still be completed in person in the municipality) and made 4.7 million electronic payments, up 4.7 million and 1.5 million, respectively, from 2019. From February 2021, applications could be submitted using a digital application. During the pandemic, in Slovakia, unemployment benefit applications were digitalised; in Romania, jobseekers were encouraged to access online job listing platforms and unemployment benefit claims, but this was later discontinued. In Latvia, after the pandemic, documents could again be submitted in person, by post (signed) or digitally (electronically signed).

With regard to minimum income benefits, in Finland, municipalities have implemented digital application procedures since 2000, which were centralised in 2017.

Usage of online options

To what extent are online options used? In Bulgaria, only 2.1% of people requesting (any) entitlements did so online, with 97.9% applying in person in 2022. In Italy, 10.2% of applications were completed in person (others were completed by phone or online) in 2021. In Lithuania, in 2018, 0.6% of social benefit applications were completed digitally; most people applied through social workers. Reasons for low usage include a lack of digital skills, the immaturity of systems and the systems' lack of interoperability (NAOL, 2019). During application spikes, such as in April 2023 for heating compensation for households, people are encouraged to apply in person. However, online use of systems may be increasing: in 2022, 73.5% of people aged 16–74 reported having used the websites of public authorities or services, with 16% applying for a benefit (for example, unemployment or child), or nursery, school or university (8.2% of those aged 55–64, and 1.3% of those aged 65–74).⁸ It is envisaged that the system will be integrated with that of the Lithuanian courts, e-health services and cooperation infrastructure. In Hungary, in 2021, 72.6% of people aged 16–74 contacted public offices electronically, with 66.2% submitting forms online, up from 37.7% and 17.6%, respectively, in 2011.

⁸ Data were obtained from the Official Statistics Portal, available at <https://osp.stat.gov.lt/>

Unemployment benefit

In Estonia, 61% of higher-tier unemployment benefit applications were completed online or by phone in 2022. For lower-tier unemployment benefits, fewer people apply online or by phone (in 2023, 57%), but the rate has increased since 2019. In Finland, 91% registered as unemployed online in 2020; others did so in person or by phone. In Latvia, in 2022, of 90,577 unemployment registrations, 58% were completed online. Of 111,057 services delivered connected with unemployment benefits, 43% were provided in person, 41% electronically and 16% by post.

Minimum income benefit

In Spain, the national minimum income scheme was launched during the pandemic, when online applications were the norm, decreasing somewhat afterwards in favour of in-person and hybrid applications. In 2022, 65% of applications were completed online. In Finland, 80% of applicants applied online, with others doing so in person or by phone. In Croatia, roughly 30% of applications are completed online, a rate which is increasing over time. Older people with a lower level of education in rural areas almost exclusively apply in person.

Factors impacting access to benefits

Digital applications can facilitate access to benefits. They can reduce processing time, human error and the risks of catching disease, and allow applicants to avoid the stigma associated with in-person applications. They can also remove the needs to travel, wait at the venue and rearrange work or care commitments. While online applications can be done at any time, in-person applications are restricted by opening hours, and may require an appointment (for example, in Luxembourg, even telephone applications need an appointment).

With regard to administration, digital application procedures can be costly to implement but can reduce processing costs. During the pandemic, increased workload due to the provision of pandemic-related benefits was sometimes mitigated by reduced administrative burden due to digitalised applications (for example, in Slovakia, for unemployment benefits). In Ireland, in March and April 2020, about 800,000 unemployment benefit applications were submitted, equivalent to the number normally made in over four years. Most were processed within a week, largely thanks to the e-identity system, which removed reidentification needs and was the largest cost-saver (Judge and McGennis, 2021).

However, many people still apply in person because they face barriers to accessing digital applications and therefore fail to reap the benefits. They also face

reduced access if in-person options are reduced or discontinued. People entitled to minimum income benefits are more likely to belong to groups in particularly vulnerable situations (especially those outside the labour market) than those entitled to unemployment benefits. Furthermore, minimum income benefit applications tend to be more complex than (especially higher-tier) unemployment benefit applications, with more means or income checks. Therefore, the digitalisation of applications can lead to more access problems for minimum income benefits than for unemployment benefits.

Reduced access to in-person options

Generally, in-person application remains possible (although it was often not possible during the pandemic), but options may have decreased in some countries or regions, due to, for instance, a reduced number of offices, reduced opening hours and a decrease in staffing. In addition, certain steps of the application process cannot be completed in person.

Unemployment benefit

Employment office registration in Luxembourg, required for benefit receipt, is completed online or by phone. Documents need to be sent electronically. In France, Malta and the Netherlands, registration is completed fully online. In Ireland, since 2023, all (online or paper) lower-tier unemployment benefit applicants need to authenticate their digital identity. In Italy, applications are completed exclusively online for NASpl, and online or by phone for DIS-COLL.

Minimum income benefit

In Austria, minimum income benefit applications generally cannot be completed fully in person. In France, the three-monthly resource declaration is conducted fully online.

Digitally excluded groups

It is evident that there are digitally excluded groups, and they are referred to in policy documents. However, in-depth studies about them are rare (Kaps and Oschmiansky, 2023). In a survey among inhabitants of two neighbourhoods in Lyon in France on the non-use of services, between one-quarter and one-third of respondents experienced difficulties with digital procedures for accessing social support; 27% gave up applying for support because they had to do so online, with the highest figures among low-educated, non-nationals, and people in situations of high insecurity or aged 60+ (Reveil and Olm, 2023). In 2019, 13% of people in France needed outside help to complete online administrative formalities; 28% abandoned the process. Overall, one in seven elderly people abandoned online procedures because they encountered difficulties. Three-fifths of public websites were judged inaccessible to people with disabilities.

Digitalised access poses particular challenges for people in the most marginal situations (including homelessness) due to a range of factors, including costs, complexity of the administrative language and of gathering and submitting documents, and distrust of digital communication (Défenseur des droits, 2022). In Spain, a minimum income scheme was introduced during the pandemic; initially, applications were fully digital, and in-person applications only became possible later. However, the online set-up has contributed to non-take-up, especially among people with a low level of education, older people and people in rural areas (EAPN-Spain, 2021). Among potential beneficiaries who did not apply, 55% had no or limited digital skills, compared with 42% of those who applied (EAPN-Spain, 2024).

Overall, groups that are in vulnerable situations when it comes to accessing online applications include older people, people with disabilities, people with low educational attainment and homeless people (Bartol et al, 2021; BRPO, 2023; Czarnecka et al, 2023; Spasova et al, 2023). Some groups of people with disabilities face challenges applying online due to procedures that are ill-adjusted to their type of disability and lack of support, while for others online application can improve access (for example, see Żuchowska-Skiba, 2022). Groups of older people can benefit from digitalisation if they are familiar with it and, for instance, live in a rural area with good access to the internet and a long-standing lack of welfare or employment offices within reach. Furthermore, age cohorts more familiar on average with information and communications technology (ICT) are becoming older. Young people may be more comfortable with digital tools on average, but may find it particularly challenging to carry out administrative procedures online on their own (Défenseur des droits, 2022).

Lack of internet access

Lack of internet access hinders access to digital benefit applications. In 2022, the proportion of households with internet access ranged from 85% in Greece, 86% in Croatia and 87% in Bulgaria to 98% in the Netherlands, Luxembourg and Finland (Eurostat, 2024). In the EU,

internet access is highest in cities (94%) and lowest in rural areas (90%).

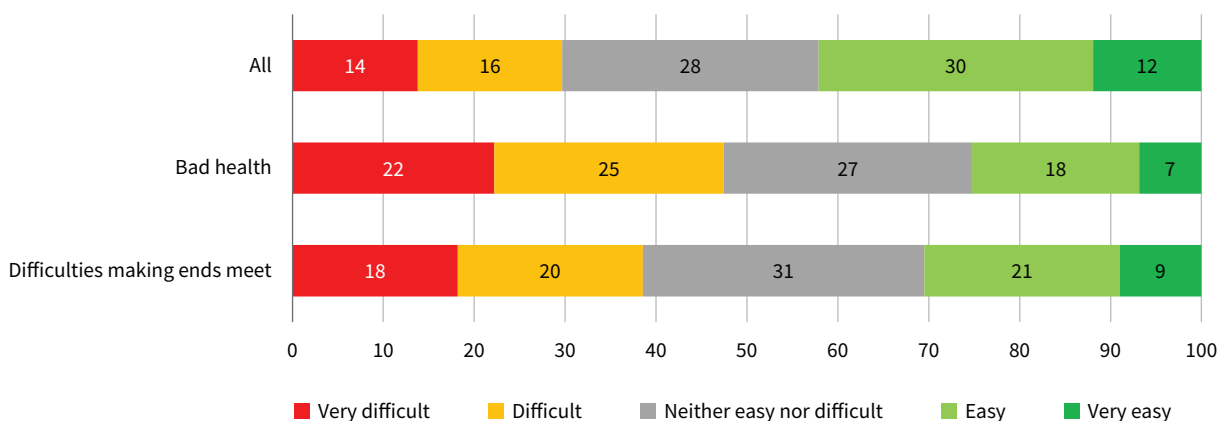
National data provide more detailed information regarding low-income groups. In Germany, in 2021, 87.6% of people had a computer with internet access at home, while 68.6% of minimum income benefit recipients did. One-fifth of people in poverty lack an internet connection, and more often lack access to the internet and experience in using digital tools at work (Schabram et al, 2023). In France, in 2023, 13% of people aged 12+ did not have a computer or smartphone at home. Analysis of 2020 data showed that rates were higher among people without education, aged over 70, who are retired and who live in rural areas. Nearly 60% of people over the age of 70 now use the internet on their mobile phones, compared to fewer than 20% in 2017. While the proportion of people with high-speed fibre connections has increased in rural areas in particular, the number is still well below that of urban areas (48% versus 67%) (Arcep, 2024). In Spain, 58% of households earning below €900 per month have a computer, compared with 97% of those earning over €2,500 per month (EAPN-Spain, 2021).

Problems applying online

People managing to embark on online application processes can still face barriers. In Bulgaria, 23% of people requesting entitlements online report technical problems, 14% report difficulties using the website or digital application form, 7% mention problems with identification, 4% report lacking access to a mobile device and 4% are unable to pay online. In Ireland, 26% find that the digital platform is not user-friendly, and 21% report technical problems. In Poland, problems using online application procedures were also noted (Portal Samorządowy, 2022).

With regard to receiving online social benefits during the pandemic, an EU-wide online survey showed that about one-third of people experienced difficulties, with higher rates for people with difficulties making ends meet or with bad health (Figure 11).

Figure 11: Difficulties receiving online social benefits during the pandemic, EU (%)



Source: Authors' calculations, based on Eurofound's Living, working and COVID-19 e-survey microdata

Challenges to offering comprehensive support

Digital applications can decrease supportive human interaction, including possible identification of needs and referral to further support, transforming the application procedure into a purely administrative task. In Finland, digitalisation of applications was found to remove the social work aspect, which recognises and makes early interventions in complex social problems (Sosiaaliturvakomitea, 2022a). In Sweden, application for minimum income support is done in person with the municipality staff so they can provide further assistance (for example, help with applying for work or contacting a doctor).

Support and solutions

Providing digital education

National policy documents often pay broad attention to digital education (along with other aspects of digital inclusion), such as in Bulgaria (the National Development Programme ‘Bulgaria 2030’, the Lifelong Learning Strategy, the 2021–2030 Employment Strategy, the National Programme ‘Digital Bulgaria 2025’, the 2020–2030 Digital Transformation Strategy), Greece (Community of Good Practice for Digital Skills (GR0100) Action Plan 2022–2024), Portugal (2020 Action Plan for Digital Transition) and Romania (Digitalization Strategy of Education 2021–2027).

Specific training programmes support people with (digitalised) formal processes, including requesting benefits. Examples include Belgium’s ‘E-inclusion 2023’ project, launched by federal governmental services, and the ‘DigitAll network’, a coalition between companies, civil society and governmental services. The Polish government’s Accessibility Plus Programme aims to remove architectural, digital and ICT barriers in homes, hospitals, schools, offices and public spaces (Ministry of Investment and Economic Development, 2018), including by providing digital training for individuals with disabilities or aged 65+. The Digital Senior Club informs seniors about digitalisation. The ‘Digital Seniors’ programme in Cluj-Napoca (Romania) by Transylvania IT provides free courses to seniors, to enable them to operate computers and use the internet (including to pay bills, manage taxes and access public services). In Lithuania, the 2023 All Digital Week initiative provided training on digital skills, with weekly themes (for example, electronic signatures). Sometimes support is offered online, which can pose a challenge for digitally excluded people. Greece has an online ‘digital academy’, providing educational material to enhance people’s digital skills.

Facilitating access to computers and/or the internet

Access to computers and/or the internet is also facilitated, sometimes through special tariffs or subsidies (see the chapter ‘Service entitlements’). Broadband internet networks are expanded, including in areas where broadband is not commercially viable (for example, through Romania’s EU-funded Ro-NET project). There are also public internet access points, often in libraries. For instance, in Lithuania, public libraries play a role in digital integration. However, people with disabilities and older people are not always reached (Kulikauskienė and Šaparnienė, 2020).

Maintaining in-person application procedures and support

Nine Member States’ policy documents recognise the importance of maintaining offline alternatives or of granting freedom of choice of access channel (FRA, 2023). National strategies and rights bodies add to this. The Danish Digitalisation Strategy notes that the government commits to strengthening digital inclusion ensuring equal access to the society and community, because groups (including elderly people) experience difficulties with digitalisation. It states that the public sector must include everyone, and digitalisation must have the community in mind. Digitally challenged citizens must be offered help and alternatives. France’s rights body (Défenseur des droits, 2022) notes that no procedure should be accessible solely digitally; outreach efforts should be made. Public websites’ compliance with accessibility rules should be monitored and enforced. In Belgium, social rights organisations recommend maintaining various access modes of social protection, preventing full digitalisation, improving digital access, encouraging support, discussing problems with digitalisation, and considering living realities of people in vulnerable situations (Unia and Steunpunt tot bestrijding van armoede, 2023).

In-person options remain available, even when online options are well developed, for in-person applications or support with online applications. Support varies between local welfare offices (Janssens and Marchal, 2022). In Finland, in-person (and phone) applications can be completed without an appointment, and support from an official must be granted within a week. People with support needs can be assigned a dedicated employee, providing support in navigating individual service needs and entitlements. In France, computers are available at benefit offices, where advisers can help minimum income benefit applicants to complete their applications. In Cyprus, service points have been piloted in Nicosia’s citizens’ centres since 2005, rolled out in all other districts in 2022. In 2023, a public ‘1450 hotline’ for social insurance and benefit queries was introduced. Swedish municipalities offer weekly digital support, including for benefit applications, targeted at elderly

people (receiving pensions rather than minimum income or unemployment benefits).

However, often support is obtained from family and friends. In France, help obtained mainly came from within the household (44%), non-co-habiting family members (39%) and social workers (7%). In Greece, 46% of benefit and service recipients searched online for information, 57% with support (EAPN-Greece, 2022). The ability to authorise someone to apply for benefits on one's behalf can be of help. While there are risks involved in the loss of autonomy, this may be less problematic for benefit applications. For instance, in the Netherlands, citizens can authorise another person once, not by default. Luxembourg is conducting a feasibility study of allowing third parties to conduct digital administrative procedures on others' behalf.

Improving user-friendliness

Improving the user-friendliness of online applications may be more effective than providing support to navigate complex online tools. The Netherlands envisages in its Digital Government Act that it will increase the accessibility of its digital benefit system, for instance by providing other log-in options. In Belgium, the importance was noted of facilitating the reporting of problems experienced when using digital services (Unia and Steunpunt tot bestrijding van armoede, 2023). Poland's Emp@tia website provides a manual, with drawings of how to apply for benefits.

5 Rejections: Prevalence, trends and reasons

Rejections of benefit applications are more likely when entitlement criteria are complex, so applicants think they are entitled when they are not. Such complexity can also contribute to non-take-up, leading to high numbers of rejections and non-take-up occurring together (Eurofound, 2015). Rejections point to inefficiencies in systems: if systems are such that only those entitled apply (and submit all necessary documentation), or if applications are redundant because they are effectively automatic, administrative resource needs are lower. Rejections can lead to disappointment and distrust in public administration and government if applicants' expectations are not met.

Rejections do not always stem from ambiguities and/or lead to unmet expectations. For instance, in Finland, a decision on entitlement to minimum income support by the national administrative body is required to qualify for municipal social assistance, so applicants may expect applications to be rejected (Korpela et al, 2020). With regard to lower-tier unemployment benefits in Finland, about one-third of rejections are because income or working time ceilings are exceeded. These rejections are partly explained by applicant's unawareness, but also by applicants with variable employment status using the procedure to declare hours worked (Sosiaaliturvakeskus, 2022b).

Usually, over 10% of applications are rejected, and frequently the proportion is above 30% (Table 5). Just like non-take-up rates, rejection rates tend to be higher for minimum income benefits and lower-tier unemployment benefits than for higher-tier unemployment benefits because of means or income and other tests (for example, family responsibilities, as for Spanish lower-tier unemployment benefits), complicating the prediction of entitlements. Rejections are sometimes temporary, until additional information is provided. The scarce available information suggests that reasons are benefit-specific and vary, but often relate to not meeting entitlement criteria, especially owing to income tests and incomplete documentation. For instance, for minimum income, in Latvia 73% and 1% of rejections were due to above-threshold income or property respectively, and in Lithuania in 2021 55% due to above-threshold income (66% in 2020) and 17% to not providing documents in time (12% in 2020). For lower-tier unemployment benefits, in Spain, 16% of rejections were due to having been registered for less than 1 month as job seeker, 10% lacked contribution records, 9% had above-threshold income, 8% already received higher tier benefits, and 6% had discontinued work themselves (not the employer). For higher-tier

Table 5: Rejection of benefit applications, 2022

Member State	Rejections
Minimum income	
Cyprus	14% (since the introduction of the benefit in 2014)
Estonia	10% (first quarter of 2023)
Greece	36% (September 2021)
Finland	20–30% among people under 65 (50% of those aged 65+) (2020–2021)
Lithuania	About 10% (14,500–15,000 people) (2020–2021)
Luxembourg	Around 16% (1,645 people)
Portugal	32% (19,182 people)
Slovakia	3.7% (3,848 people)
Spain	69%
Unemployment	
Austria	4.3% (all public employment services benefits) (2021)
Cyprus	33.3%
Finland	Lower tier: 30% (300,000 people) (2019)
Latvia	1,328 people (2023)
Ireland	Lower tier: 11,859 people
	Higher tier: 5,907 people
Malta	14% (225 people) (2016)
Netherlands	25% (77,995 people)
Portugal	34% (71,861 people)
Slovakia	32.7% (49,119 people)
Spain	Lower tier: 24.3%
	Higher tier: 6.1%

Sources: Compiled by Eurofound from information provided by the Network of Eurofound Correspondents, national administrative bodies and other sources (for example, SEPE, 2022).

benefits, in Spain, 28% were rejected because they were not considered in a legal situation of unemployment (for instance, employers did not submit the required documents), 17% lacked contribution period, 16% was not registered as job seeker, and 13% had work when entitlement would start.

Increases in rejection rates have occurred. For minimum income in Portugal (from between 40 and 50% in the years 2010–2017 to between 32 and 38% in 2018–2022), Slovakia (from 1.0% in 2016) and Greece (from 19% in September 2018). For unemployment benefits, rejection rates increased in Matla (from 2% in 2013), Portugal

(from 15% in 2010 to 29% in 2018, 2019 and 2020), the Netherlands (from 12% in 2015 to 19% in 2019 and 23-25% from 2020 to 2022). In Spain, reviews of households' compliance with minimum income support eligibility criteria reduced approval rates by 19% (around 67,000 households in total) in 2022 (and 11% of benefits were interrupted as households exceeded income requirements, with 8% due to information provided by the applicant).

Increases in rejection rates in various countries since 2020 have been linked to the pandemic situation (in Austria, Cyprus and the Netherlands). In Cyprus, the proportion of unemployment benefit applicants refused was elevated in the years 2020–2022, after having decreased from 17% in 2015 to 12% in 2019, because people had not worked the minimum required period in the years prior to applying during the pandemic.

Increases since 2020 followed decreases in Austria, from 5.17% in 2016 to 3.35% in 2019, and in Slovakia, from 46% in 2010 to 26% in 2019. After increases during the pandemic, decreases were observed for unemployment benefits in 2021 in Austria and in 2022 in Portugal.

Some information was found on characteristics of groups for which applications were most often rejected.

In Finland, of the 35,852 applications by households with children, 30% were rejected (70% were partially or fully accepted): 36% of applications by two-parent households and 27% of those by single-parent households). In Spain, rejections are more common in households without minors and single parents.

6 Service entitlements

Social protection goes beyond monetary entitlements and importantly includes access to services. Access to services may be free or low-cost for all users, benefiting low-income groups especially, who have greater needs and face payment difficulties (Eurofound, 2020a, 2022b). Additional support may also depend on income (for example, in Italy) or employment status (for example, employment integration services) rather than benefit receipt.

There are also examples of in-kind support, such as food aid funded by the Fund for European Aid to the Most Deprived. Sometimes, minimum income or unemployment benefit recipients are a subgroup of those entitled to this aid. For instance, Estonia provides this aid to all eligible for minimum income benefit whose benefit has been discontinued, who are homeless, or who earn just above the minimum income threshold. In Poland, the income threshold is twice that for minimum income benefit. In Greece, unemployment card holders are entitled to food support. Overall, food aid reduces the gap between the minimum income benefit and the poverty threshold by around 10% in Belgium and Spain. In Finland and Hungary, referrals from welfare agencies to food banks are less common, and food aid targets more marginal groups (Hermans et al, 2024).

Furthermore, sometimes benefit recipients qualify for compensation to cover exceptional needs, such as paying for healthcare, education, housing or utilities. For instance, in Bulgaria, minimum income benefit recipients with difficulties meeting health, educational and other daily needs can apply for one-time payments of a maximum of five times the minimum income. In Finland, benefit recipients' larger expenses can be paid on a case-by-case basis. An electronic voucher can be granted covering (often specific) medication, usually granted alongside social assistance application approvals. In Denmark, people in economically vulnerable situations can apply for municipal support for single-item expenses, temporary payment of rent, dental care, medical treatment and medicines. Poland has one-off benefits covering specific needs (for example, buying medicines). Slovenia has support for exceptional social cash assistance recipients if they are temporarily unable to pay bills.

However, this chapter maps service entitlements, tied to unemployment and minimum income benefits, that are beyond covering exceptional needs. It focuses on healthcare and public transport, and presents some examples in relation to other services.

Healthcare

Basic coverage

In some Member States, basic healthcare coverage depends on residence and citizenship, and is predominantly financed through taxation rather than insurance fees (for example, Denmark, Malta, Portugal, Spain and Sweden). In countries where such basic insurance is linked to employment or purchased individually, people may lose coverage when they become unemployed or unable to afford it. Types of support vary, usually covering the entire household.

Sometimes basic health insurance fees are deducted from (for example, in Luxembourg), or healthcare costs integrated into, minimum income benefit. In Finland, minimum income benefit is calculated to cover minor medical expenses and high medical expenditure can trigger benefit assignment (dependent on needs and income).

Sometimes both minimum income benefit and unemployment benefit recipients (in Austria, Hungary and Romania) or only minimum income benefit recipients (in Czechia, Greece, Hungary, Poland, Slovakia and Slovenia) are among groups entitled to free basic healthcare insurance. In Hungary, unemployment (and minimum income) benefit recipients automatically qualify at registration. People with incomes below 120% (for single adults, 150%), and assets below 80 times the ISR are exempt from basic health insurance fees (in 2024, HUF 11,300 (€29) per month), but need to apply.

For unemployed people, entitlement to publicly funded insurance sometimes depends on registering as unemployed rather than benefit receipt, as in Czechia, Estonia, Poland and Slovakia. These countries also provide free insurance to children, retirees and other groups. Czechia, for instance, also provides coverage to pension recipients, dependent children, people on parental leave, and PhD students over 26 years old, covering 6.11 million people (57% of all insured), with an increase of 2.50% compared to 2021. In Greece, from 2023, those registered as unemployed under 30 years old with incomes below €16,000 (for couples, €24,000, plus €3,000 per child) qualify. Sometimes the minimum amount of social tax needs to be paid to remain covered (for example, in Estonia, for unemployed people). Free insurance may be assigned automatically with the benefit (for example, in Austria, Hungary and Slovenia), or require an application. In Romania, applications are completed in person and usually facilitated by local social assistance services.

In some countries, healthcare entitlements depend on income, in practice entitling all, most or subgroups of minimum income (and unemployment) benefit recipients (for example, in Belgium, Croatia, Latvia, Portugal and Slovakia). In Slovakia, economically inactive pensioners, children under six years old and people with disabilities with incomes and pensions below 180% and 60%, respectively, of average wage, qualify for free prescribed pharmaceuticals. In Portugal, benefit recipients with average household earnings of a maximum of 1.5 times the IAS are exempt from paying contributions. In Croatia, the state pays insurance for people whose income in the previous year is a maximum of €274.15 per month per household member (for single people, €342.69). In Belgium, households with incomes below €23,303.84 per year (November 2023) qualify for the ‘increased healthcare allowance’, implying lower user fees (previously through higher reimbursement, but now the provider directly bills insurers) and a lower cap on healthcare expenditure (€450 per year). For people who have been unemployed for three months or longer (and, for example, single parents and people with disabilities) the threshold is higher (€26,313.70, plus €4,871.39 per household member). To address non-take-up of this entitlement, outreach among households with higher healthcare costs was found to be particularly effective (Van Gestel et al, 2023).

Supplementary coverage

Basic healthcare coverage does not cover all procedures and medicines or services provided by certain (public) providers (for example, with longer waiting lists), or require co-payments. Support beyond such basic packages usually concerns minimum income benefit recipients rather than unemployed people and can be seen in the following countries.

- **Austria and Spain:** Minimum income benefit recipients are exempt from prescription charges.
- **Cyprus:** Healthcare expenditure of minimum income recipients is subject to half the usual cap of €150.
- **Denmark:** Dental care expenses (up to DKK 10,000; €1,340) above a self-payment limit of DKK 600 (€80) are covered, with 100% and 65% of costs covered for people aged 18–24 and 25+ years, respectively.
- **Malta:** Recipients receive free medication, glasses, dentures and other prosthetic aids.
- **Sweden:** Recipients can apply through social workers to have glasses and certain non-emergency dental care covered.

Sometimes both minimum income benefit recipients and registered unemployed people are covered.

- **Czechia:** Recipients are exempt from emergency healthcare charges.
- **Estonia:** Recipients are automatically reimbursed for dental care up to €105 per year (instead of €60 per year), with a 15% co-payment (instead of 50%).

Supplementary insurance, with coverage beyond the basic package, plays an increasing role in several Member States (Eurofound, 2020a). In Finland, 19% of employers offered workers supplementary insurance in 2021. In Poland, some companies provide private, supplementary healthcare insurance for employees to avoid longer waiting periods in public healthcare. However, taking up supplementary insurance is rarely supported.

- **France:** Free supplementary insurance (covering full co-payments) is provided for households with income in the previous year up to the ‘social security allocation ceiling’ (€810 per month for single people and €1,215 for couples, excluding minimum income and activity allowances in 2023).
- **Slovenia:** Until 2023, minimum income recipients were entitled to supplementary (covering full co-payments) and basic health insurance, while unemployment benefit recipients were entitled only to basic insurance. Since late 2023, mandatory basic insurance has covered full co-payments. Minimum income recipients are exempt from the fee.

Public transport

Public transport discounts usually target children, people with disabilities, carers, students and retirees, sometimes with an income threshold (Eurofound, 2022b). Sometimes public transport is free for all users (for example, in Luxembourg, Malta, several small Polish cities, and in Tallinn for its residents). However, sometimes minimum income or unemployment benefit recipients are targeted, usually by local government schemes.

- **Vienna:** Minimum income (or housing) benefit recipients automatically receive a ‘mobile pass’, for example entitling them to a 50% discount on public transport.
- **Lisbon and Porto:** Minimum income benefit recipients, people registered as unemployed receiving benefits below 1.2 times the IAS and other groups qualify for a Passe Social+ (for 6 months for unemployed people and 12 months for others), providing discounts of between 25% for unemployed people and 50% for minimum income benefit recipients.
- **Some of Poland’s most populous municipalities (for instance Warsaw, Szczecin, Kraków and Wrocław):** Free or discounted public transport to minimum income benefit recipients and people registered as unemployed.
- **Athens and Thessaloniki:** Public transport is free for unemployment card holders.
- **Several Croatian counties and cities:** Discounts for people registered as unemployed.
- **Belgium:** Increased healthcare allowance entitlement (see the section ‘Healthcare’) also entitles people to bus and train discounts.

Sometimes the benefit amount contains a component for public transport usage (for example, minimum income benefit in Finland). In Sweden, public transport costs are considered necessary expenses when calculating economic support. Hungary's unemployment benefit contains a public transport subsidy (dependent on place of residence, or distance from potential jobs).

In particular national public transport support for benefit recipients usually focuses on facilitating training and employment.

- **Denmark:** An allowance for certain groups (including insured unemployed people and minimum income benefit recipients) for travel costs to participate in employment offers or programmes, if at least 12 km from home, is provided. Minimum income benefit recipients (and other groups) also qualify for a maximum of DKK 1,000 (€134) per month to cover shorter distance travel.
- **France:** Registered unemployed people can apply at an employment office to cover the costs of attending job interviews or training courses of over three months if needing to travel over 60 km or two hours (round trip). Minimum income benefit recipients taking up work in home care can apply (within seven days of the interview) for €150 per year for travel costs, plus €100 per month for the first three months of employment. Regions and municipalities also provide free or discounted transport, usually to subgroups of benefit recipients, who need to apply for such entitlements. For instance, groups entitled to free public transport include people living in Marseille who have been unemployed for six months, minimum income recipients with incomes below a certain level in Île-de-France and (since 2021) all minimum income recipients in Lyon.
- **Hungary:** Several municipalities provide discounts to benefit recipients, and, for example, Budapest grants free public transport to registered unemployed people.
- **Romania:** From 2023, local authorities must provide minimum income benefit recipients deemed able to work with transport to attend 'Second chance' programme courses over 5 km from their homes.
- **Slovakia:** Unemployed people who have been registered for at least three months and are travelling to an interview qualify for 70% reimbursement of public transport expenses (above €4), up to €35 per month. Users decreased from 2,770 in 2018 to 573 in 2022 (the 573 received in total €6,062), 62% of them women (up from 49% in 2018). After they find a job, commuting can be reimbursed for 6 months (12 months if from a disadvantaged group) up to €200 per month, depending on commuting frequency and distance (with no need to submit tickets). After a decline during the pandemic, 17,813 recipients (61% women) received €4,654,196 in 2022.

Childcare

Childcare support tends to depend on income rather than on benefit receipt. For instance, in Denmark, parents with income below DKK 622,200 (€83,390) per year in 2024 qualify for discounted early childhood education and care (ECEC). This includes all minimum income recipients, as the income threshold is above the minimum income entitlement threshold.

Entitlement sometimes depends on being registered as unemployed.

- **France:** Unemployed single parents taking up work or vocational training (and applying within one month of starting) are eligible if they do not receive over €31 per day unemployment benefit (assumed to cover childcare) (see chapter 'Economic activation: Making work pay, sanctions and support' for options to combine benefits with income from work).
- **Poland:** Unemployed parents can have up to six months' ECEC reimbursed for children aged up to six years (or seven years if a child has a disability).

However, there are also examples where entitlement is based on benefit receipt.

- **Romania:** From 2024, minimum income benefit recipients with children are automatically offered 'benefit for families with children' (previously an application was needed).
- **France:** Minimum income benefit recipients with children below six years, receiving family allowance and working for at least one hour per month, can apply (online) for childcare supplements. The supplements vary by the type of childcare chosen, the number and age of children, and income.
- **Sweden:** ECEC fees depend on income: 3% of household monthly income, but exclude minimum income benefits (while including unemployment benefits), up to SEK 1,650 (€143) per month, for over 30 hours per week.

Furthermore, sometimes childcare fees are considered when setting the benefit amount. For instance, in Finland, municipal childcare fees are considered when setting the minimum income. Minimum income benefit recipients must first apply for reduced or waived municipal fees, depending on household income and the number of children.

In contrast to all of these practices, in Malta free childcare is open only to children whose parents are in employment, although broadening eligibility is being discussed.

Support is not only a question of improving ECEC's affordability. There are also other barriers to access to overcome, including lack of availability within a manageable distance and unsuitable opening hours (Eurofound, 2020a). Portugal offers free childcare for all

children aged below four years; at least 30% of free places should be allocated to child benefit recipients in the bottom three of five income bands.

Housing

Access to housing support (for instance, rent subsidies in Croatia and Slovakia) sometimes depend on minimum income benefit receipt, but rarely on unemployment benefit receipt (Eurofound, 2023a).

- **Denmark:** One must qualify for (but not necessarily receive) minimum income support to receive top-ups to regular housing support. These top-ups are available for people facing high rental costs, large informal care burdens or significant life events, such as illness, unemployment to divorce.
- **Italy:** Minimum income benefit recipients qualify for €280 rent or €150 mortgage payment supplements.
- **Romania:** Minimum income benefit and unemployment benefit recipients are among the municipal social housing priority groups, with rent (or subsidies) set so that (net of subsidies) rent does not exceed 10% of household income.

Utilities

Energy

The energy price hikes due to the Russian war on Ukraine triggered many temporary support efforts, some targeting benefit recipients (Eurofound, 2022c). But there are also more permanent measures in place. In Portugal, both minimum income and (since 2020) unemployment benefit recipients (and, for example, households with incomes under €5,808 per year, plus 50% per household member) qualify for discounted electricity tariffs (over 30%); unemployment benefit recipients are also entitled to reduced gas tariffs. France automatically awards energy subsidies to minimum income recipients (based on tax declaration). In Malta, minimum income and special unemployment benefit recipients qualify for electricity and gas subsidies.

Water and other municipal fees or taxes

Greece has lower water and municipal fees for unemployment card holders. In Italy, since 2021, minimum income recipients automatically received support to cover water or sanitation costs, but the coverage of these costs was abolished in the 2024 scheme.

Communications

Since 2021, in Lithuania, electronic communications providers must provide minimum services at lower prices to low-income earners and social benefit recipients. In Portugal, from 2022, minimum income benefit and unemployment benefit recipients (among other groups) qualify for lower internet fees (in 2023, only 546 people received this reduction). Since 2012, public communications networks and service providers must contribute to funding such initiatives, ensuring access to telecommunications. In 2018, half of the funds were spent on providing public pay phones. In France, some providers offer cheaper telephone packages to minimum income benefit recipients. Minimum income support sometimes includes an ICT budget (for example, in Germany, €44.88 per month for a single person for phone, internet and postage costs).

Culture, sport and other entitlements

In France, local and regional entitlements to culture, sport and leisure activities, holiday support and payment of outstanding debts are means-tested and/or status-tested (jobseekers, minimum income recipients, people with disabilities and large families qualify). In Greece, unemployment cards grant free access to museums and cultural centres, and book vouchers. In Slovenia, registered unemployed people are entitled to free access to libraries, museums, theatres, and publicly subsidised cultural events. Swedish trade unions apply reduced membership fees for unemployed people.

7 Economic activation: Making work pay, sanctions and support

This chapter discusses financial (dis)incentives for benefit recipients to take up work or training. It then focuses on sanctions, discussing changes and presenting data on how often sanctions are applied in practice. Drawing on assessments of activation measures, the chapter discusses their role in facilitating employment while guaranteeing adequate support for economically inactive and unemployed people.

Financial incentives to work

Integration into work depends not only on financial incentives, but also on enabling factors, such as benefit adequacy and access to services (for example, transport, internet, training) and jobs (Eurofound, 2017). However, financial incentives play a key role. Countries vary greatly in the extent to which taking up work, or increasing income from it, has a negative impact on benefit recipients' income through the tax system and benefit reductions (Coady et al, 2021; OECD, 2023).

This section first looks at what entitlements are lost and maintained when taking up work. It focuses on the benefit side of the equation, not on the key role of better pay for work. Next, it looks at what entitlements are lost when not adhering to economic activation requirements.

What benefits are lost when taking-up work?

Low benefit amounts

Minimum income and, especially after prolonged unemployment, unemployment benefits are usually well below the income that could be earned in employment. In particular, minimum income and lower-tier unemployment benefits are usually below the minimum wage (and sometimes set as a proportion thereof). A political argument to reform Italy's minimum income from 2024 was that it disincentivised people from working, and incentivised reduced working hours and undeclared work. In Sweden, incentive to work has also been used as an argument for lowering (and not increasing) the higher-tier unemployment benefit amount cap. Denmark, in 2014, replaced the minimum income benefit for people aged 25–29 with a lower educational allowance, discouraging people from interrupting education or employment to seek assistance, and from using the system during the time between completing or discontinuing their secondary education and starting a new course or job.

An evaluation showed that on average it extended education by seven weeks and employment by two weeks, keeping 1,200 to 2,000 young people out of the minimum income system (Beskæftigelsesministeriet, 2017).

Maintaining benefits after taking up work

Another financial incentive for benefit recipients to take up (or increase involvement in) paid work is if this does not result in benefits being directly or equivalently reduced or discontinued. In Finland, higher-tier unemployment benefits are reduced by 50% of income (this was only the case for income above €300 per month, but this was abolished in April 2024). Lower-tier unemployment benefit recipients in employment programmes can apply for €5.29 per day as a top-up for a maximum of 200 days. The minimum income benefit is reduced by income earned above €150 per month. In Slovakia, one can receive 50% of the remaining three months' unemployment benefits, if discontinuing receipt after three months. In Poland, one can keep receiving 50% of the benefits for the remaining entitlement period. In France, those taking up work can keep higher-tier unemployment benefits, minus 70% of salary earned, up to the recipient's reference wage.

Take-up of work has recently been facilitated by not cutting benefits as follows.

- From September 2020, unemployment benefit is no longer cut for those working up to eight days per month in Estonia. For instance, this allows jobseekers to engage in their professional lives until they secure a full-time job, and reduces disincentives such as needing to de- and re-register or the fear of losing health insurance or benefits. In Spain, higher- and lower-tier benefit recipients will be allowed to combine these with earnings from work for six months as of April 2025.
- Minimum income benefit is not cut for those earning up to DKK 40,000 (€5,360) per year in Denmark (experimental since 2019, extended till 2024 after a positive evaluation; Socialstyrelsen, 2022), or working up to six months in Romania (from 2024). In the Netherlands, 25% of earnings for six months (up to €226 per month) is excluded when calculating applicants' minimum income entitlement. In Malta, the shares of minimum income benefits that can be retained in, respectively, the first, second and third years of employment were raised in 2023 by 10 percentage points to 75%, 55% and 35%.

However, options to keep receiving benefits when starting working do not reduce disincentives to work when people are unaware of them.

- **Estonia:** 64% of unemployment benefit recipients do not know they can maintain benefits when they take on some work. Only 18% of those entitled to do so use this option; others are unaware, see the application process as a barrier and/or do not consider benefit receipt necessary any more.
- **Lithuania:** 74% of minimum income benefit recipients do not know they are entitled to a 12-month supplementary allowance if they become employed (and are registered with an employment office, are paid at least the minimum wage and apply within a year) (MSSL, 2022). Only 19.7% of minimum income benefit recipients who took up work in 2021 received this benefit, up from 8.5% in 2017 (analysis of data from the Indicator Database of the Social Assistance Monitoring System in Municipalities).⁹

Such data are scarce, but issues may be similar elsewhere. In Cyprus, recipients can maintain benefits if they take up low-income employment, but need to apply for this. In countries where people in (low-income) employment qualify for minimum income benefits (for example, France and Spain), they present higher non-take-up rates than those outside employment. This is partly because they think people in employment are not entitled (Eurofound, 2015). In Finland, the difficulty of determining the impact of income from work on benefit amounts can in itself disincentivise benefit recipients to take up work. Income thresholds differ between benefits, and the minimum income scheme considers net income while the housing allowance and unemployment benefits schemes consider gross income (Finnish Institute for Health and Welfare, 2022; Sosiaaliturvakeskus, 2022a).

Benefits also support workers who work few hours and/or have low incomes. In France, in 2022, 4.8 million workers (up from 4.6 million in 2021) received activity allowance (*Prime d'activité*), supplementing earned income, taking household composition and resources into consideration (DREES, 2023). In Ireland, 20% of unemployment benefit recipients are casual or part-time workers, self-employed workers and workers temporarily on reduced hours. In Austria, in 2021, 8% of single people receiving minimum income benefits were in employment. In Germany in 2022, 22% (812,828) of employment benefit recipients deemed available for employment were employed (28% in 2016). In 2021, of 863,761 employed recipients, 54,173 were apprentices and 258,429 'mini-jobbers'. In Spain, people receiving income

(for example, from self-employment) below 75% of the minimum wage qualify for minimum income support.

Disincentives to taking on work

It is a challenge to design systems that facilitate taking up work, without creating perverse incentives. For instance, in Ireland, lower-tier and higher-tier unemployment benefit can be received for days not worked if one works three days a week or fewer. This can disincentivise acceptance of part-time work spread over the working week.

Financial disincentives also come from factors beyond those associated with unemployment or minimum income benefits and wages. For instance, people with debts may see debt repayments being withheld from pay if they take on work (Eurofound, 2020c). In Hungary and Lithuania, this was identified as a disincentive to take on (declared) work, for instance among homeless people (Aidukaite, 2021; Nepszava, 2023). Other kinds of (often local) monetary, in-kind and service entitlements can also be lost when people lose the right to unemployment or minimum income benefits (Anne and L'Horty, 2022; see also Chapter 'Service entitlements'). This is not the case when access to, for instance, healthcare or public transport is facilitated more universally.

Using up benefits

Financial incentives for recipients of unemployment benefits to take on work also concern other aspects of the minimum income benefit and unemployment benefit system. After having received unemployment benefits, one usually needs to resume accumulating contribution records to become entitled again. This can discourage people from taking on (especially insecure or short-term) work before unemployment benefits run out. In Ireland and Lithuania, one can use up interrupted unemployment benefits if unemployed again within half a year. In Czechia, if the support period is not fully used, one can work for three months and after this time, one can still use the unused entitlement. After six months of work, one would be entitled to the full period again if fulfilling the usual employment record requirements (12 months in the last two years). Denmark has started calculating unemployment benefits so that taking up lower-paid or part-time work does not lead to lower entitlements for subsequent unemployment spells, and has implemented a flexible employment account for 're-earning unemployment benefits', reducing incentives to use up benefits. In addition, use of unemployment benefit is now based on hours, preventing entire weeks of unemployment benefit from being used when partially unemployed.

⁹ Socialinės paramos veiksmingumo stebėseną Lietuvos savivaldybėse, <https://qlik-public.socmin.lt/sense/app/3b7d2f59-5a02-4f21-87aa-e92332d457d7/sheet/4dc8db21-cd1c-4e1e-80e4-adc10f1be814/state/analysis>

Conditionality of entitlements

Recent changes

Benefits are discontinued or reduced, temporarily or permanently, if recipients fail to meet activation requirements. This may also concern supplementary benefits (rather than basic amounts) for minimum income benefit recipients participating in active labour market policies, which are unavailable or discontinued for those who do not participate (for example, in Luxembourg). Sanctions can also consist of deregistration of unemployed people, which may result in loss of unemployment benefit (if they receive it), minimum income benefit and access to services.

Sanctions have toughened over time (Knotz, 2019). Recent reforms seem to continue this trend.

One example relates to unemployment benefits.

- Finland:** As of May 2022, jobseekers must attend five meetings with case workers in the first three months of unemployment (previously one month) and send four job applications monthly. Exceptions to the number of applications can be made depending on work ability, education, skills and regional labour markets (Helsingin Sanomat, 2023). After two warnings, the benefit is withheld for one week, after three warnings it is withheld for two weeks and after four it is withheld until requirements are fulfilled. The lower-tier benefit (paid out after a five-month waiting period for anyone lacking vocational education) is discontinued for unemployed people under 25 years old lacking vocational education, which is recognised to facilitate employment, who do not apply to study. It is restored after they complete their education, work for 21 weeks or participate in services promoting employment (Sosiaaliturvakomitea, 2022a).

A further two examples relate to minimum income.

- France:** In 2023, receipt was made contingent on 15 hours per week of integration activities (work, training, health assessment, solving childcare issues).
- Romania:** As of 2024, minimum income recipients who are capable of work lose their benefits if they twice refuse municipal seasonal employment requests.

During the pandemic, sanctions were often temporarily relaxed; for example, job search and other activation requirements for minimum income benefit and unemployment benefit recipients were suspended

(OECD, 2020). Here are however a few examples of longer-term relaxation of sanctions.

- Germany (2023):** Sanctions were re-established, having been under a moratorium. However, they became milder, abolishing the requirement to accept any job offered and harsher sanctions for people aged below 25, increasing support for low-skilled unemployed people to receive vocational training and implementing a tiered system of up to 30% benefit reduction (maintaining housing and heating support) if it would not cause exceptional hardship. A first non-compliance leads to a 10% reduction for one month, a second to 20% for two months and third and subsequent ones to 30% for three months.
- Slovenia (2020):** Sanctions for unemployment benefits were softened with a 30% reduction (instead of termination) for a first non-compliance and termination after a second breach. Slovenia also abolished a rule implemented in 2018 that benefits are reduced (from 80% to 60% of prior salary) for unemployed people who fail to register (in 2019 the rule was applied 375 times).

Number of sanctions imposed

Higher-tier unemployment benefits that are predominantly funded by insurance premiums (rather than general taxes), especially when voluntary, may lack activation requirements, and thus sanctions for not fulfilling them (for example, in Germany). Among EU Member States that are member countries of the OECD, formal sanction rules attached to income support for jobseekers are strictest in Croatia, Estonia, Portugal and Romania, and least strict in Cyprus, Hungary and Ireland (OECD, 2024b).

However, in practice, sanctions are usually imposed on 1–6% of benefit recipients (Table 6). Where no national data were identified, regional data give an impression of the frequency of sanctions. For instance, in the Gironde region of France (1.6 million inhabitants), about 2,600 sanctions per year were issued between 2014 and 2019, mostly due to failure to attend an orientation meeting and sign a contract. Non-compliance with the contract caused around 115 sanctions per year between 2017 and 2019.

The toughness of sanctions varies. For instance, in Spain, in 2022, 3,431 sanctioning procedures for non-compliance by unemployment benefit recipients were initiated, while 2,680 benefits were suspended: 74.2% for one month, 1.4% for three months and 0.1% for six months (re-established only if recipients adhered to activation measures). In Finland, minimum income benefits cannot be discontinued, as permanent residents are entitled to a minimum standard of living. However, the social insurance institution can lower the amount, connecting recipients with social workers to assess service needs.

Table 6: Sanctions imposed on benefit recipients for not adhering to activation measures, 2022

Member State	Sanctioned recipients	Reasons
Unemployment benefit		
Austria	147,894	Unwillingness to work, refusal of employment and training offers, etc. The data include people who themselves discontinued employment, facing a 30-day wait for unemployment benefit
Germany (lower tier)	At least one reduction: 2.6% of employable beneficiaries; 128,415 new reductions, 226,008 implemented (2023)	Failure to fulfil obligations (for example, failure to report for job centre appointments without a valid reason (85%), or refusal to take up or continue a job, training or measure, or a subsidised employment relationship (7%))
Ireland (lower tier)	31,540 withdrawn	Various reasons, including sanctions for activation requirement violations
Ireland (higher tier)	32,982 withdrawn	Various reasons, including sanctions for activation requirement violations
Slovenia (2021)	185, of whom 14 had their benefits reduced by 30% and 171 had their benefits cancelled	Activation requirement violations (for example, non-participation in the active labour market policy programme or refusal to accept suitable employment, not actively seeking a job)
Spain	<1% (2,680)	Activation requirement violations (24% for not attending information sessions)
Deregistered from unemployment register		
Czechia (September 2023)	6% (4,418)	Non-cooperation with the labour office
Estonia	9.5%	Failure to fulfil obligations (participating in preparing an action plan, adhering to the plan, looking for work and informing an employment office of the process, accepting suitable jobs, making and appearing at employment office appointments at least monthly)
France (2021)	503,000	Failure to attend appointments (70%) or support services (16%); insufficient job search (11%)
Poland	32,742	Refusing work or other support without valid reason
Portugal	1.1%	Missing a meeting at the job centre (0.82%) or other entity (0.13%); refusing a job (0.08%) or training (0.02%); refusing socially necessary or convenient work without valid reason (0.03%)
Romania	3,782	Failure to attend interviews or training courses, respond to a job offer, and so on
Minimum income		
Croatia (2019)	3.4% sanctioned (< 2% for non-compliance with legal provisions)	
Estonia	0–1% (< 100)	Vary across local governments and depending on social worker; mainly tied to recipient's motivation to find employment and achieve self-sufficiency
Finland (2019)	6% (about 27,000 reduction notifications sent)	
Lithuania (2017–2021) Benefits other than child benefits	Reduced for 8–16% of receiving households per year	Long-term unemployed judged able to work, received a job offer from the public employment service, failed to participate in activities for the benefit of the general public or the employment enhancement programme
Slovakia	4,068	

Sources: Compiled by Eurofound from information provided by the Network of Eurofound Correspondents and other sources (for example, Ministerstwo Rodziny, Pracy i Polityki Społecznej, 2022; and SEPE, 2022)

Trends in usage of sanctions

There have been recent increases in the application of sanctions. In Austria, sanctions on unemployment benefit recipients increased steadily from 98,901 in 2012

to 147,894 in 2022, except in 2014 (following a 2013 peak) and during the pandemic (93,199 in 2020; 122,305 in 2021). From 2014 to 2021, sanctions due to general unwillingness to work increased from 197 to 952, and those due to refusing job offers from 13,500 to 28,000.

In Croatia, the proportion of registered unemployed people who were sanctioned increased from around 2.5% in 2004–2016 to 3.5% in 2017 and 2018. In Portugal, the percentage of unemployment benefits that were discontinued for non-compliance with activation requirements increased from 0.9% in 2018 to 1.1% in 2022, with lower rates during the pandemic years 2020 (0.3%) and 2021 (0.6%). In Spain sanctioned unemployment benefit recipients increased by 154% from 2021 to 2022. In Slovakia, the number of minimum income recipients whose benefit was discontinued increased from 4,138 in 2016 to 5,624 in 2019, before decreasing again.

Decreases also occurred, often relating to the pandemic. In Germany, the proportion of employable unemployment benefit recipients whose benefit has been reduced has decreased steadily since a 2012 peak (12%). The proportion has been particularly low since 2020 (at 1–3%), partly due to the 2019 constitutional court ruling that welfare benefit reductions violate the constitutionally guaranteed subsistence minimum, and that benefit reductions must be proven to contribute to unemployed people's reintegration – the aim of social assistance (Gantchev, 2019). The pandemic situation, the awaited political decision on a new sanctioning regime and a July–December 2022 moratorium (only repeated failure to report, not breaches of duty, led to sanctions) further contributed to lower rates. In Slovenia, sanctions for unemployment benefits were rare in 2020 (11 terminations) and in 2022 were well below the 2018 and (especially) 2019 levels.

Trends in reasons for sanctions

Reasons for sanctions have changed. In Romania, exits from unemployment benefit due to non-compliance with requirements such as attending interviews or training decreased from 2,807 in 2020 to 2,378 in 2022 (0.5% of all exits). However, exits for not attending (without justification) a training course increased from 225 in 2020 to 614 in 2022 (0.1% of all exits) and exits for refusing job offers increased from 1,074 (0.2% of exits) in 2020 to 1,787 (0.4%) in 2022. In Portugal, discontinuations due to job refusal increased from 163 in 2019 to 279 in 2021 and remained higher at 276 in 2022. In Germany, failure to report to the responsible institution became a more frequent reason for sanctioning (from 60% of sanctions in 2010 to 77% in 2019). Decreases are observed, instance, in sanctions for not accepting or continuing a job, a training measure or subsidised employment (16% in 2010 to 10% in 2019), breach of the integration agreement (from 18% to 8%) and intentional reduction of income or assets to draw the benefit (from 0.26% to 0.14%).

Characteristics of groups facing sanctions

Some information is available on groups facing discontinuation of benefits. In Czechia, people with low levels of education, men, young people and people

whose property is being seized are overrepresented among sanctioned unemployment benefit recipients. In Romania, between 47% and 48% of all exits from unemployment benefits in 2020–2022 were by women, but among those exiting for non-compliance with requirements such as attending interviews and training, 50–52% and 49–53%, respectively, were women. Women are underrepresented among exits due to job refusal (39–45%). In Estonia, among beneficiaries of international protection, the proportion of deregistrations due to sanctions (6.8% in 2022) is below average. Since 2022, Slovenia has obliged jobseekers who are third-country nationals to pass a Slovenian language exam within a year after registering as unemployed. By 16 June 2022, 567 unemployed foreigners were deregistered for not meeting the requirement (1,803 met it): 230 were Kosovan (82% women), 136 from Bosnia and Herzegovina (43% women), 100 from North Macedonia (74% women), and 36 Serbian (58% women). In Germany, socially excluded and less-qualified people are more likely to be sanctioned; lack of (inherited) social capital and communication skills play a role (Zahradnik et al, 2016).

Applying sanctions: local discretion and appeals

Individual employment office workers often have discretionary decision power on sanctions. For instance, in Belgium, sanction decisions upon job refusal depend on the age and attitudes to the welfare state of individual case managers (De Wilde and Marchal, 2019).

Sanctions are sometimes legally challenged. In France, in 2021, 1,679,589 breaches were detected, a 2.1% increase from 2019. Following the application of the right to error and the adversarial phase, 503,000 penalties were imposed, down 4.5% from 2019; 30% of findings that people were in breach were upheld following an appeal, down 2 percentage points from 2019.

Impact of sanctions

'Mild' sanctions can stimulate employment integration, but tougher sanctions do not seem to have stronger effects (Taulbut et al, 2018). Sanctions can negatively affect material, social and mental wellbeing (Williams, 2021). The decrease in income can lead to material deprivation (for example, food insecurity) and debt problems, and sanctions can cause anxiety and depression. The threat of sanctions can negatively affect employment quality (wages, job security, skills match) and can neglect informal but more productive job search channels (Williams, 2021; Wolf, 2024). When sanctions are imposed, people may be pushed into work and take up lower-paid work or leave the labour market. This may concern people living in single-adult households in particular, who may not be able to rely on financial support from others (van den Berg et al, 2019).

Discontinuation of benefits can have social-protection-related implications beyond the benefit cut alone. In Hungary, people dismissed from the public work programme can no longer receive minimum income benefits.

Sanctions can conflict with labour market policy objectives when they lead to loss of contact with, and of trust in, employment services, and withdrawal from the labour market. It appears bad practice to impose sanctions that completely withdraw support from people. In Slovenia, the Advocate of the Principle of Equality (2022) argued for tailored support (activation programme, involvement of cultural mediators) for third-country nationals registered as unemployed who fail the language exam instead of deregistering them. In France, a more progressive sanctioning system was recommended, with a remobilisation suspension before temporarily withdrawing an allowance, and without deregistration. This is already the case with the Youth Employment Contract (*Contrat Emplois Jeunes*), which relies on a more holistic view of recipients' situations. In Estonia, social workers rarely apply the option to cease the benefit, being reluctant to leave people without help (Melesk et al, 2022). In Romania, sanctions have been criticised for limited effectiveness and potential abuse by officials. Focusing on punitive measures may overlook the systemic barriers to employment and fails to address the multifaceted nature of unemployment (Arpinte, 2019).

Exceptions and need for tailored support

Schemes sometimes consider specific circumstances posing a barrier to participation in work or training, such as when work is not adapted to disabilities, or if childcare support is inaccessible. For instance, in Austria, minimum income payments can be reduced (and exceptionally cancelled) if reasonable work is refused, training (for example, a German language course) is not attended or third-country national integration agreements are violated. However, exceptions apply for people with disabilities, those beyond the statutory retirement age and those with children under three years old without childcare opportunities. In Germany, parenthood reduces sanction risks. However, this only applies to motherhood, not fatherhood (Knize, 2022).

Sanctions can be ineffective if tailored support is lacking. In Finland, there are concerns that the new sanctioning regime homogenises rather than individualises unemployed people's treatment. For instance, the requirement to apply for four jobs a month can be considered mechanical surveillance rather than meaningful activation, and may be inappropriate for jobseekers lacking language, literacy or digital skills. Lack of unemployment service staff limits the time for support. Overall, two-thirds of unemployment service employees think the new model

has negatively affected unemployment service quality, while one in ten respondents said it shortened unemployment (Länsiväylä, 2022). Of jobseekers required to apply for jobs monthly, 90% complied. However, by early 2023, about 110,000 (of the 235,000) jobseekers were not yet required to do so because it was not considered meaningful for them (50,000) or, because of staff shortages, they had not met with case workers to draw up employment plans (60,000) (Helsingin Sanomat, 2023).

Support: Increasing employability and providing job offers

Take-up and availability

Job refusal by benefit recipients is usually well below 5%. For instance, in Romania, fewer than 1% of benefit recipients refused job offers (Țoc and Buligescu, 2020). In Poland, the proportion of registered unemployed people rejecting job offers increased from 1% in 2020 to 2.1% in 2021 and 2.4% in 2022 (and those not ready to work rose from 9% to 14% and then 18%).

However, many benefit recipients do not receive job offers. In Hungary, public work schemes, which have paid 50% of the minimum wage since 2022, offer work contracts of four to eight hours per day for up to 12 months (extendable by 6 months). However, the availability of public work has been falling steadily; it declined from an average of 75,603 jobs in August 2022 to 69,907 in September 2022, and has remained below 70,000 since. In Finland, unemployment benefit recipients must accept full-time work. Scientific and artistic work does not qualify. This has raised questions about whether accepting any job benefits people's skill development (Sosiaaliturvakeskus, 2022b). In Cyprus, when minimum income was introduced (2014), there were hardly enough jobs available for activation requirements to be effective.

Participation in active labour market policies varies; for instance, 25% of unemployed people in Croatia and (in 2021) 38% of labour market recipients did so. Regardless of the increase in spending on active labour market policies (see Chapter 'Social protection: Poverty reduction and expenditure'), availability and take-up of active labour market policies has decreased in some countries. In Lithuania, the share of registered unemployed people using active labour market policies decreased from 16% in 2017 to 8.5% in 2021 (MSSL, 2022). In Luxembourg, while recipients of full unemployment benefits increased by 1,483 people (to 8,515) from July 2022 to July 2023, active labour market policies' users decreased by 147 (to 4,074).

Integration plans may be lacking. In France, 60% of minimum income recipients lack labour market integration support contracts (Cour des Comptes, 2022).

In Poland, 15% of minimum income benefit recipients in audited welfare centres have no social contract, partly because of limited welfare centre capacity (NIK, 2019).

Digitalised support has increased. Training courses were digitalised during the pandemic, and access to this training mode has generally increased. For instance, in Germany, job centres replaced face-to-face appointments with telephone and video meetings. Since August 2021, video communication in job placement and case management has been available in all job centres as an alternative to face-to-face counselling, having been gradually introduced since November 2020 (Kaps and Oschmiansky, 2023). Digital interaction can be a challenge for some groups of unemployment benefit recipients. In Belgium, where – given the unlimited duration of unemployment benefit – recipients tend to include groups in more vulnerable situations, employment office staff report challenges in supporting digitally excluded groups.

Opportunities offered to benefit recipients are not always mandatory. In Luxembourg, unemployment benefit recipients cannot refuse certain internships, courses or public work offered without good reason; however, there are also voluntary training courses.

Effective training and employment integration

Groups of benefit recipients engaging with activation measures are integrated into work. In Latvia, on 31 December 2022, 53,536 unemployed people were registered with the state employment agency. During 2022, 64,150 people participated in active labour market policies. Among 56,026 unemployed people who found jobs in 2022, 12% had completed an active labour market policy measure. In Estonia, from 2016 to 2021, 66% of 18-to 64-year-old minimum income benefit recipients used labour market services and 50% entered employment within 90 days of participating in the service. In Lithuania, in 2021, 5% of social benefit recipients registered as unemployed participated in active labour market policies and 31.2% got permanent jobs, similar to rates in 2017–2019.

On-the-job and other training should truly contribute to increasing employability on the labour market overall, by being well targeted and designed. In various Member States, effectiveness of measures to stimulate employment among unemployed has been investigated.

- **Denmark:** Financial incentives work for unemployed people able to hold a job seem effective, but other active labour market policies show inconclusive effects (Finansministeriet, 2018). An analysis of initiatives targeting workplaces shows that 25% of internships end in employment (Styrelsen for Arbejdsmarked og Rekruttering, 2020).

- **France:** 60% of jobseekers who underwent training for the first time between 2017 and 2019 gained employment in the private sector (excluding individual employers) within 18 months after starting the training, compared with 51% of other unemployed people with similar characteristics. Training leading to certification and adaptation to the workplace seems relatively effective, while training courses that are long or provide basic skills increase return to work less. Longer courses and courses leading to certification spread over more than one year produce positive differences later on. Training seems to be more effective for jobseekers aged over 50, registered as unemployed for over a year, with a disability, living in a priority neighbourhood for urban policy or with an education level below the completion of high school studies (*baccalauréat*) (Chaubaud, 2022).
- **Germany:** Integration measures taking place at an employer's premises seem more effective than those at a service provider, and measures for people who have been unemployed for long seem more effective than those for more recently unemployed people (Harrer et al, 2017).
- **Ireland:** Recent reforms seem to have been effective in economically activating people registered as unemployed (including people employed for only a few days a week), but less so for people who are older, those with literacy problems, those with children, and those who have experienced long-term unemployment before or are casually employed (McGuinness et al, 2022).
- **Luxembourg:** Overall, several active labour market policies (paid internships, public work, short-term training in a given professional field) seemed effective in integrating people into employment. Internships appeared not very effective in improving employability, unless the company offered employment following the internship (which was more common in larger companies). It was recommended to enhance internships' focus on training (Zanardelli et al, 2006).
- **Poland:** While most social workers' work had not been evaluated, a signed agreement between the welfare centre and minimum income recipients, with an assessment of the recipient's life situation, was judged particularly effective. Among those investigated, 50 of the 64 recipients who had signed such a social contract had found jobs (NIK, 2020).

Facilitating involvement in some work itself also serves to enhance employability. For instance, in Finland, the possibility of combine some work with benefits mainly serves to build up the recipients' employability (Sosiaaliturvakomitea, 2022a).

Addressing the multiple facets of unemployment

Initiatives seek better-tailored support

Several initiatives are underway to provide tailored support for unemployment. Spain is evaluating thirty-four 2022 pilot projects (with regional and local administration, NGOs and academic institutions) offering need-based support promoting households' social inclusion. In France, employment offices exchange data with regions to enable advisers to identify available services.

Digital assessment of employability and training needs

Digital assessments play a role in determining employability and training needs. Since 2019, Malta has developed a system that assesses minimum income benefit recipients' need levels. Since 2020, Estonia applies a tool that estimates unemployed people's ability to find work, identifying factors affecting their chances, to assist employment offices in providing individualised support. During earlier pilots, it initially estimated people's chances of becoming long-term unemployed, but that was considered of little use (e-Estonia, 2021). Croatia uses a profiling modelling tool that estimates the probability of employment within 12 months following registration. An assessment of a Polish tool from 2014 highlights challenges that come with such digitalisation, including regarding conceptualising 'employability', variables included and coercing jobseekers into certain responses (Niklas et al, 2015).

Reducing barriers to accepting work offers: Care and reachability

Support should go beyond offering training and jobs, to reducing barriers to accepting such offers, including care responsibilities and reachability issues. For instance, in Poland, parents of children under the age of 12 are particularly often deregistered, by themselves or an employment office (Szczęsny, 2021). Job offers often do not meet parents' needs, such as work and family life balance; 74% of crèches are private, requiring a fee; and half of municipalities lack crèches (GUS, 2022). In 2022, 30% of mothers of children aged 1–9 did not engage in paid work and 16% of them reported difficulties finding a job, for reasons including incompatible childcare opening hours and lack of public transport (Baszczak et al, 2022). In France, about 60% of minimum income recipients were not registered at an employment office in 2022 (before it became mandatory), for lack of a proposed pathway to integration and individualised support, and because of obstacles to employment such as difficulties in accessing childcare and transport (Cour des Comptes, 2022).

Integrating the hardest to employ

To keep investing in contact with people for whom active labour market policies have been ineffective, or only lead to short-term integration, some programmes focus on subgroups with particularly difficult circumstances, often with a role for social workers. In Poland, unemployed minimum income benefit recipients (1.2% of registered unemployed people) qualify for the two-month activation and integration programme (Aktywizacja i integracja), including training, public work (at below the minimum wage) and other activation measures, for at least 10 hours per week (take-up has decreased since 2015). In France, 3.9% of minimum-income-receiving and 3.3% of disabled jobseekers became employed in 2019, lower than average for jobseekers (8.2%). However, rates were higher for groups benefiting from specific schemes (long-term jobseekers, residents of priority urban policy neighbourhoods, over-50s). Disabled jobseekers particularly rarely became employed (3.3%) (Cour des Comptes, 2022). In Croatia, the 'Make a wish' programme for women with low employability and long-term unemployed women (for example, providing them with €1,000 for training) has integrated almost 6,000 women into elderly care and assistance work.

People who fail to be integrated into work need a safety net, facilitating social integration, and possibly integration into work in the longer run. Access to services and benefits that facilitate social integration is the basis for future integration into work, when opportunities arise. An access problem emerges where the benefit system's categorisations correspond poorly to an individual's situation. In Finland, a group that faces this problem is jobseekers who have low work capacity (for example, because of substance use) but are insufficiently incapacitated to qualify for an illness-related pension. They need to participate in active labour market policies to receive unemployment benefits, but have little capacity to obtain and keep a job. Therefore, they use activation programmes, but rarely benefit from them. They often face sanctions (reduced minimum income payments, or breaks in unemployment benefits), which are ineffective in integrating them, while worsening their economic situation. They often need assistance from social services, but may be concerned about raising issues with authorities, as this may disqualify them for unemployment benefits (Sosiaaliturvakeskus, 2022a). People may be registered with employment offices for reasons beyond the intention to find work, such as entitlements to monetary and in-kind benefits. For instance, in Poland, some people register with the public employment service to obtain health insurance rather than engage in economic activation. They may have been rejected for a disability pension, but it would be difficult for them to take up any job (Baszczak et al, 2022).

8 Recipient characteristics

This chapter analyses the characteristics of unemployment and minimum income benefit recipients across 18 and 19 Member States, respectively, for which administrative data from 2022 or later were obtained (Tables 7 and 8). The data presented concern average numbers of recipients per month and characteristics of recipients (or those in receiving households). Alternative measures such as yearly recipients and applicants' characteristics would generate different results; for example, in Finland, 251,958 households (355,426 individuals) received minimum income benefits at some stage in 2022, 195% (188%) of the monthly average; and 56% of applicants were men and 84% had Finnish nationality, respectively 2 and 6 percentage points more than receiving households' members. In the text, unless indicated (for example, a different year), the data detail those included in Tables 7 and 8. When national trends are discussed, different periods may be indicated for different countries to show national trends (with peaks varying between countries), not necessarily international comparisons.

Unemployment benefit

Overrepresentation of men

Men tend to be overrepresented and women underrepresented among higher-tier unemployment benefit recipients (Table 7). However, in some countries where men were overrepresented around a decade ago, now women are. This has been the case for Denmark and Greece since 2013, and for Portugal and Slovakia since 2016. In Greece, the proportion of women has increased year on year, from 47.4% in 2011 to 59.1% in 2022, only dropping during the pandemic (from 57.1% in 2019 to 56.9% in 2020). In France, the proportion of women among jobseekers receiving a benefit increased from 48% in 2014 to 52% in June 2019. In addition, in countries where women have not overtaken men, the proportion of female recipients has still increased, such as for higher- (by 2 percentage points from 2012 to 2023) and lower-tier (14 percentage points) unemployment benefits in Ireland. Sweden, exceptionally, shows the reverse pattern: women were overrepresented up until the aftermath of the Great Recession, whereas since 2013 men have become overrepresented, although the difference has declined since. In Bulgaria, 59% were women and 41% men of the 244,028 people who received unemployment benefit at any time between January and September 2020 (when 109,859 received it on average per month, up from 71,380 in 2019).

Nationality

Most unemployment benefit recipients are nationals, more so than for minimum income benefits. In addition, non-national recipients are more often from the EU, sometimes even more than from non-EU countries. For instance, in Cyprus, 25% of recipients were from the EU compared with 5% from non-EU countries; this was 15% compared with 6% in Ireland (higher tier); and 10% compared with 8% in Belgium. However, in some countries, non-national recipients from outside the EU are overrepresented; in some countries they make up at most 3% (3% compared with 2% in Czechia; 0.6% compared with 0.1% in Poland), but elsewhere one-tenth or more (10% compared with 1% in Portugal; 11% compared with 2% in Greece; 26% compared with 9% in Ireland (lower tier)). In lower-tier unemployment benefits, the proportion of non-nationals can be particularly high, as in Germany: in 2023, 47% of the 3,929,340 people aged 15+ in receiving households were non-nationals.

Some countries investigate migration background beyond nationality. In Finland, in 2018, 26% of people born abroad with a mother tongue different from Finnish received unemployment benefits, ranging from 13% among those from other EU countries to 55% from refugees' countries of origin. This compares to 7% for people born in Finland (KELA, 2020). In the Netherlands, in August 2023, 89,500 recipients had parents both of whom were born in the Netherlands, while 21,800 had a so-called 'Western' migration background (from Europe (excluding Türkiye), North America, Oceania, Indonesia or Japan) and 25,200 a non-Western migration background. In Denmark, in January 2022, 75% of recipients had at least one parent who was a Danish citizen, born in Denmark and not descended from a migrant, a decrease from 87% in 2010. The decrease mainly stems from an increase in recipients who are immigrants from Western countries (from 3% to 11%) or descendants of non-Western migrants (from 1% to 4%). In Bulgaria, 84% of recipients have Bulgarian ethnicity. The 8% and 3% with Turkish and Roma ethnicities, respectively, are more likely to be entitled to less than six months' payments, and to the minimum amount (OECD, 2022).

Trends can be observed. In Greece, the overall proportion of non-nationals among unemployment benefit recipients remained rather stable, between 15.0% and 12.5%, from 2011 to 2022. However, recipients from outside the EU increased (from 9.2% in 2014 to 11.2% in 2022), while those from the EU decreased (from 3.9% in 2013 to 2.4% in 2022). In Estonia, 0.4% of unemployment benefit recipients and 16.7% of unemployment allowance recipients in June 2023 were beneficiaries of international protection. Ukrainian refugees made up 9.2% of all registered unemployed people on 30 July 2023.

Table 7: Higher-tier unemployment benefit recipients (2012 and 2022), by gender and nationality, average per month in Member States for which administrative data were obtained, 2022

Member State	Recipients		Recipients, 2022			
	2012	2022	Population aged 16–64 (%)	Nationals (%)	Women (%)	Men (%)
Austria (yearly)	131,217	108,935	1.9		43	57
Belgium	417,250	308,343	4.2	82	44	56
Cyprus (yearly)		10,007	1.7	69		
Czechia (2023)	103,554	79,186	1.2	95	56	44
Denmark	164,164	80,938	2.2		52	48
Estonia (2023)	9,945	14,910	1.8	82–89	48	52
Finland (end 2022)		Earnings-related: 107,723	3.2		48	52
		Basic unemployment allowance: 28,457	0.8	73 (Finnish born)	48	52
		Labour market subsidy: 162,745	4.9		47	53
Germany (2023)	843,033	855,641	1.6	54	43	57
Greece (2022)		162,493	2.5	86.5	59	41
Ireland (2023)	276,589	Lower tier: 113,969	3.5	65	43	57
	78,611	Higher tier: 31,454	1.0	79	49	51
Italy (yearly)		NASpl: 1,941,091	5.3	81	56	44
		DIS-COLL: 20,307	0.1		68	32
Luxembourg (2023, full benefit)		9,328	2.1		45	55
Netherlands		132,720	1.2		52	48
Poland (end 2022)	358,250	115,430	0.5	99		
Portugal		288,368	4.5	89	56	44
Slovakia	47,002	35,436	1.0	99	53	47
Spain		772,852	2.5			
Sweden (2023)		121,939	1.9		46	54

Notes: Only countries for which administrative data from 2022 or later were obtained are reported. NASpl, new social employment insurance. DIS-COLL, unemployment benefit for fixed-term contract workers.

Sources: Compiled by Eurofound from information provided by the Network of Eurofound Correspondents, national statistical and administrative offices and other sources (for example, the Netherlands: Centraal Bureau voor de Statistiek, 2024a; Finland: Kela, 2023; Italy: Istituto Nazionale Previdenza Sociale, undated; Denmark: Styrelsen for Arbejdsmarked og Rekruttering, undated; Slovakia: Ministry of Labour, Social Affairs and Family of the Slovak Republic, 2013; Belgium: De Rijksdienst voor Arbeidsvoorziening, 2012; Czechia: Ministerstvo práce a sociálních věcí, undated; and Austria: Statistics Austria, undated)

Educational background

While people with lower levels of education are usually overrepresented among unemployment benefit recipients, there have been some increases in more highly educated recipients in some countries, for example, in Greece, Luxembourg and Poland. For instance, in Greece, the proportion of recipients with tertiary education increased from 14.7% in 2011 to 24.3% in 2022. In Luxembourg, the proportion with higher education increased from 14% in November 2013 to 25% in November 2023. These increases are only partly explained by a general increase in education level

among the population, and may signal a mismatch with labour market needs.

Length of benefit receipt

Increases in the duration of unemployment benefits have occurred, including in countries where the number of recipients decreased in the same period (for example, Belgium, Denmark, Slovakia). In Belgium and Denmark, the proportion of recipients who had received unemployment benefits for two years or longer increased from 23.7% and 19.7%, respectively, in 2010 to 36.4% and 23.1% in 2022. In Slovakia, the proportion

of recipients who received the benefit for the maximum six-month period decreased from 64% in 2013 to 50% in 2019, but then increased to 55% in 2022.

There have also been decreases, especially after the pandemic. In Portugal, the average duration decreased from a peak of 224 days in 2013 to 172 in 2022 (after an increase during the pandemic), partly owing to a reduction in the maximum duration (from 24 to 18 months) and in generosity following the Great Recession, a condition for support by the European Commission, the European Central Bank and the International Monetary Fund. In Germany, from 2017 to 2021, the proportion of recipients receiving the benefit for four years or more increased from 41% to 48%, before dropping to 42% in 2022. The proportion of those who received it for up to a year increased from 20% in 2021 to 32% in 2022. In Czechia, 19% received it for over nine months in 2023, down from 41% in 2021. In Poland, in 2022, 70% of recipients had received the benefit for three months (when the amount decreases) or more, down by 6 percentage points since 2020.

Minimum income benefit

Minimum income benefits are usually paid at household level. When benefits are individual, their level may still depend on household income (for example, in Bulgaria and Denmark). Sometimes, people over working age qualify (for example, in Bulgaria and Finland), but usually they fall under separate schemes. Children themselves sometimes qualify (for example, in Germany), but usually the household amount is instead topped up based on dependents.

Single-adult households

Single-adult households are often overrepresented among recipients. In Finland, 77% of those who received minimum income benefits at some point in 2023 were single households without children (61% of them male, 39% female); 11% were single parents (8% fathers, 92% mothers). In Cyprus and Poland, respectively 81% and 57% of receiving households are single people. In Lithuania, from 2018 to 2021, 36% of recipients were single adults without children. In Estonia, among households with children, single mothers are overrepresented among benefit recipients (Melesk et al, 2022). In France, 62% of recipients (without a supplement) are single-adult households, and 24% single parents. In Italy, single-adult households (41%) and households with five or more members (9%) are overrepresented. In Luxembourg, in 2021, 71% of recipients were single-adult households, fewer than in 2012 (73%), but the proportion of single-adult household recipients with children increased from 17% to 20%. In Belgium, 39.0% of recipients are living alone or homeless, down from 47.5% in 2006, but still well above the proportion of single-adult households overall in Belgium. The proportion of single-adult households

or single parents among recipients of social exclusion benefits in EU-SILC lies well below these proportions, confirming underrepresentation in survey data. However, EU-SILC data confirm that, in the EU, single-parent households are overrepresented among recipients. They account for 8% of households receiving these benefits, but represent 4% of all households in the population. Larger households, with two adults and three or more dependent children, are also overrepresented (8% compared with 5%).

Overrepresentation of women

When assessing the gender division, in countries where minimum income benefits are paid at the household level, it is key to consider household members' gender, not just that of the individual in the household who is registered as the recipient. Women are generally overrepresented among members of recipient households in 13 of the 16 countries. Gender differences also play out in other respects. In France, women are more likely to receive minimum income benefits, but men (51%) more often than women (49%) receive them without a supplement, while male recipients are more often in salaried employment than women recipients (12.5% compared with 10.1%). In Belgium, most national (57%) and especially non-national EU citizen (62%) recipients are female, while most third-country national recipients (54%) are male.

Nationality

Most recipients of minimum income benefits are nationals, but non-nationals can be overrepresented relative to their share in the population (Table 8). The proportion of recipients who are from EU countries tends to be in the range from 1% in Portugal (and even 0.2% in Slovakia) to 5% in Cyprus (and exceptionally 9% in Belgium), while non-EU citizens are overrepresented, for example, from around one-tenth (Cyprus, Portugal) to a quarter (Belgium, Denmark) of all recipients. Unofficial data suggest that 13% of recipients in France are from outside the EU (National Assembly, 2022). In Sweden, the proportion of two-adult households where both adults were born abroad ranged between 12% and 15% from 1995 to 2022 (peaking in 2017 and 2018). Recipient households with one non-national member increased, though, from 39% in 1995 to 57% in 2022, peaking at 61% from 2017 to 2019. In Finland, 6% of people born in Finland received minimum income benefits in 2018, compared to 22% of those born outside Finland with a mother tongue other than Finnish, ranging from 8% for EU nationals to 66% for those from refugee countries and 6% of people born in Finland (Kela, 2020). In Cyprus, in May 2023, 44% of the non-EU recipients (8.3% of all recipients) were from Syria.

The influx of Ukrainian refugees due to Russia's war on Ukraine has had an impact. In Germany, it increased the share of non-German recipients and the number of recipients overall. Most Ukrainian refugees were women,

who could leave the country while men were obliged to stay. In October 2022, there were 653,739 Ukrainian recipients of minimum income or (mainly) lower-tier unemployment benefits: 65% women and 35% men (IAB, 2023). This shifted the gender balance, with 51% of lower-tier unemployment benefit recipients in 2022 being women, whereas previously most were men (Table 7). Similarly, in Slovakia, most of the non-EU recipients in 2022 were Ukrainian refugees, especially in April (34,028) and May (43,505), with fewer than 16,000 in other months (none from June 2022 to September 2022, when assistance was provided by the United Nations High Commissioner for Refugees). In Czechia, 9,468 of the 10,830 extraordinary immediate assistance (*mimořádná okamžitá pomoc*) benefits paid in 2022 were to Ukrainians.

Geographical differences

There are geographical differences within countries, with more recipients in more economically deprived areas. In Romania, over 80% of recipients reside in rural areas, which account for 46% of the population. In Italy, in March 2022, of the 2,703,979 recipients (1,223,146 households), two-thirds resided in the South (which has just below a quarter of Italy's population). The provinces with the highest proportions of recipients were Naples, Palermo, Crotone, Caserta and Catania. In Belgium, 3.6% of people in Brussels receive social benefits, 2.0% in Wallonia and 0.6% in Flanders.

Table 8: Minimum income benefit recipients (2012 and 2022), by gender and nationality, average per month in Member States for which administrative data were obtained, 2022

Member State	Recipient households unless otherwise stated (household members are stated in brackets)		Members of recipient households, 2022*			
	2012	2022	Households (%)	Nationals (%)	Women (%)	Men (%)
Belgium	95,806 persons	158,165 persons (2023)	2.2	68	55	45
Cyprus		19,138 (26,123 persons) (May 2023)	5.4	83	50.5 (13,190)	49.5 (12,933)
Czechia (<i>příspěvek na živobytí</i>)	116,194 benefits paid*	55,461 (124,127 persons, 75,388 adults) (61,136 with benefits paid)	1.2	97**	60**	40**
Denmark	142,582 persons***	93,702 persons***	2.6	73	51	49
Estonia		25,016 (48,731 persons)	3.5		47 (average 2016–2021)	53
Finland		129,106 (189,459 persons)	4.5	78	46	54
France		2,058,100 (3.39 million persons)	6.5		54	46
Germany	91,280 working age adults (yearly)	98,453 working age adults (yearly)	0.2			
Greece		497,356 persons	6.7	15	52	48
Netherlands	371,694 persons	401,109 persons	3.6		57	43
Latvia		28,527 (58,228 persons; 38,662 adults) (2021)	3.3		65	35
Luxembourg	9,193	9,982 (22,959 persons)	3.4	35	53	47
Poland		218,808 (2021)	1.5		49	51
Portugal		130,004 (262,454 persons)	3.3	89	53	47
Slovakia	183,341 (357,765 persons)	63,544 (141,982 persons; 90,603 adults)	3.4	93	50.3	49.7
Spain (February 2023)		576,097 (1,633,474 persons)	3.0		54	46
Sweden	225,231 (399,891 persons; 267,910 adults) (yearly)	55,295 (125,374 adults) (yearly: 161,630 households; 299,901 persons; 197,757 adults)	1.2	36	50.2	49.8

Notes: * Includes some benefits paid for the previous year; ** of applicants, on behalf of the household; *** people receiving the benefit per month (for example, two people receiving it for half of the month count as one person); minimum income benefits include minimum income support for specific groups: educational assistance (*uddannelseshjælp*) and the self-sufficiency and return benefit and transition benefit (*selvforsørgelses- og hjemrejseydelse og overgangsydelse*).

Sources: Compiled by Eurofound from information provided by the Network of Eurofound Correspondents, national statistical and administrative offices and other sources (for example, the Netherlands: Centraal Bureau voor de Statistiek, 2024b; Belgium: FPB, 2024; Latvia: Labklājības ministrija, 2020; and Sweden: Nordic Health and Welfare Statistics, undated)

Length of benefit receipt

There are groups of people who have been receiving minimum income benefits for longer than others. For instance, in France, 59% of recipients had received minimum income benefits for two years or more in 2020, and 36% for five years or more.

In some countries, the proportion of minimum income benefit recipients who receive it for longer is increasing. In Croatia, the proportion of those receiving it for over five years increased from 14.7% in 2016 to 17.7% in 2018. In Portugal, the average duration increased from 27 months in 2010 to 37 in 2014, then decreased to 30 in 2018 and increased again to 37 in 2022. In Slovenia, in 2021, 55,953 recipients (86% of the total) had received minimum income benefits for at least two years in the previous three years, up from 29,819 in 2014 (51% of recipients) (Trbanc et al, 2022). There was a spike in

2021, but before the pandemic the proportion had already increased to 59% in 2017 (down to 57% in 2019). In Sweden, the number of recipients decreased year on year from its peak in 2015 (226,670 receiving it at some point in the year) to 2022 (160,630), but the average benefit duration increased steadily from 6.3 to 7.3 months.

There have also been recent decreases in length of receipt. In Lithuania, among all families with children receiving social benefits, the share of long-term (at least 12 months continuously) recipients decreased from 30% in 2019 to 20% in 2021. In Slovakia, in December 2022, 34% of recipients had received minimum income benefits for over four years, down from 46% in December 2016 (when it peaked, up from 36% in December 2010). In Luxembourg, the median length of minimum income benefit receipt decreased from 4.5 years in 1990 to 1.6 in 2020.

Discussion and policy pointers

Adequacy of support

The adequacy of minimum income and unemployment benefits depends on amounts, people's varying needs and other entitlements (monetary or not).

Monetary benefits

Minimum income benefit and unemployment benefit systems are important components of social protection, and protect people from falling below a certain income level and experiencing income shocks.

The extent to which they offer this protection differs between Member States and population groups. Usually, unemployment benefits decrease after a few months to levels closer to minimum income levels. After one year, few unemployed people receive more than the minimum income anywhere in the EU. Even when these benefits do not bring incomes above the poverty line, they are important to enable people to meet basic needs. However, the European Pillar of Social Rights stipulates that everyone lacking sufficient resources has the right to adequate minimum income benefits to ensure they can live their lives in dignity. Assuming that 'a life in dignity' goes beyond mere survival, it is worrying for the realisation of these rights that minimum income schemes are often merely designed to ensure survival. Inadequate benefits can also pose a barrier to recipients' (re)integration into the labour market. With the winding down of temporary support measures implemented during the cost-of-living crisis, poverty levels may increase. Increasing the minimum income and wage can mitigate this impact.

Indexation that is responsive to rapid price changes and that is based on the inflation experienced by low-income households can prevent benefit adequacy from eroding. Indexation may be based on more general consumer price indexes, which use consumption baskets that differ from those of low-income groups. They fail to reflect low-income groups' consumption patterns, in which goods and services that satisfy essential needs make up a larger share of expenses, and the exclusion of certain housing costs poses a problem for some low-income groups (Eurofound, 2023a). Low-income groups have been disproportionately hit by recent inflation, especially due to high energy and food prices (European Commission, Directorate-General for Employment, Social Affairs and Inclusion, 2024). Some countries mitigate this by using indexes specific to low-income households. Furthermore, annual adjustments often lag behind recent price increases, posing a problem for adequacy after sudden and high inflation. Belgium, for instance, addresses this by adjusting benefits immediately if in a certain month inflation reached at least 2% compared to when the

previous adjustment was made. Besides steep inflation, cumulative low inflation can also erode benefits, including where annual changes are considered only if annual inflation is above a certain threshold, not compared with the previous adjustment.

Are social protection systems recession-proof? For people aged 16–64, benefits and taxes bring the at-risk-of-poverty rate down by about half in the EU. Almost one-tenth of this decrease comes from support for people who are unemployed. However, over two-fifths of unemployed people are below the monetary poverty threshold. This research was conducted at a time when the EU unemployment rate was 6%, half the 2013 rate. If unemployment were to increase, it would be an even greater challenge to reduce poverty rates in accordance with the commitments of the European Pillar of Social Rights Action Plan, unless entitlement is broadened, non-take-up reduced and adequacy improved. This should also concern policymakers seeking to improve more generally the situation of the lowest income earners, whose income has lagged behind during the past decade's period of economic growth (Eurofound, 2020b). During recessions, sanctioning tends to be toughened while fewer jobs are available, as part of reconciling an increased need for social protection and reduced fiscal revenues (Knotz, 2019). While the pandemic situation generally triggered a different reaction by governments (increased social protection, reduced sanctioning), this may not be the case with a future crisis.

Services

Access to enabling services is key to ensure basic living standards, to cater for varying needs, and to enhance social inclusion and employment prospects. Benefit amounts cannot cater for all household-specific needs, nor can indexation specific to low-income household inflation. These needs may relate to health problems, having children or living with disabilities. It is also key that low income or unemployment does not pose a barrier for access to services such as healthcare, childcare, long-term care, education, transport, the internet, utilities and housing. Monetary benefits may facilitate access to services, but risk being spent on basic goods or, for instance, debt repayments.

Unemployment and minimum income benefits sometimes come with linked service entitlements, which help to protect benefit recipients, especially when they do not require separate applications. However, these service entitlements fail to protect those for whom benefits have run out, people who are not receiving the benefits they are entitled to and people in vulnerable situations who are not entitled to

benefits. For instance, in Portugal, the Ombudsperson criticised the fact that unemployed people who do not receive a benefit (any more), and do not belong to one of the other groups with entitlements, are excluded from the social electricity tariff (Provedor de Justiça, 2023). When entitlements are based on having a low income or being unemployed rather than on receiving a benefit, the problem is somewhat addressed. Still, more universal access to services would be less likely to leave people in need without access to services, and remove a disincentive to take up (declared) work (losing support to access services).

There is more scope for measures that simultaneously improve social protection, are in line with the Green Deal, reduce costs for low-income groups, enhance resilience against income and (energy) price shocks and benefit population health. These include improving access to public transport and cycling infrastructure, reducing households' dependence on external energy purchasing (insulation, installing solar panels), and providing school meals that are healthy and take the environment into account (Eurofound, 2022b, 2022c, 2023a).

To address the situation faced by homeless people, 'housing first' approaches can be more effective than providing monetary benefits alone, and can facilitate access to monetary benefits they are entitled to given their financial situations (Eurofound, 2023a).

Groups

There are also **groups of people who do receive benefits, but for whom benefits are particularly inadequate.** Besides people living in countries where benefits are relatively low, they include households with higher numbers of children, people with disabilities and people with healthcare needs whose additional expenses are not sufficiently considered. Long-term unemployed people suffer when their benefits run out, and may find it particularly difficult to reintegrate into the workforce. They also include people who face larger housing costs, for instance because they live in more expensive cities and/or do not have access to social housing. Other groups that are more likely to face difficulties making ends meet regardless of benefit receipt include single parents, and people who are born abroad, do not own their home without a mortgage or have low educational attainment.

Unemployment benefits often extend inequalities in employment income into life without work. Those who have been in well-paid work for long periods receive larger benefits when they become unemployed (albeit sometimes capped at low levels), usually reflecting their larger contributions to the system. Three countries whose unemployment benefits used to be independent of prior income have changed this in 2024. Higher benefits for people who had higher incomes before they became in need help to buffer income shocks. These

people may, for instance, face large mortgage payments, and sudden income decreases can put them into situations of overindebtedness (Eurofound, 2020c). However, income-dependent unemployment benefits do extend income inequalities into unemployment. This also has a gender aspect, not only because of the gender wage gap but also because women tend to be overrepresented among minimum income benefit recipients and (although the situation is changing) underrepresented among unemployment benefit recipients. However, it is a challenge to address such inequalities in an upward-convergent manner, while making work pay.

Social protection also plays a role for older people facing a rising retirement age. Those unable to work until retirement could have access to early retirement or disability schemes. However, such options have been reduced, so this group may find itself in a pension gap, relying on unemployment benefits and (when those run out) minimum income benefits (Eurofound, 2016). They may spend their pre-pension period in poverty.

Benefit adequacy depends not only on the benefit amount and recipients' needs, but also on whether people need to live on the benefit for long. Long-term recipients thus require special attention from policymakers seeking to reduce deprivation.

Gaps in social protection

This report has identified a wide array of gaps in minimum income benefit and unemployment benefit protection. **Third-country migrants** who have employment-dependent work permits or have resided in the country for a short period, but also mobile EU citizens who came to a country without employment, are not entitled to these benefits in some countries. **Homeless people** are often unable to readily meet requirements such as having a reference address or bank account. **Young people seeking employment** who have short or non-existent work histories are often not entitled to unemployment benefits. When alternative support is unavailable or insufficient, and when they are unable to rely on support from their parents/guardians, they are at particular risk. People can also be in vulnerable situations if they live in homes bought long ago, which – especially in cities – on paper have risen above a value that disqualifies them from minimum income support in some Member States. Recently having sold a low-value second home can have the same effect. This seems especially the case in post-communist and Mediterranean Member States, where homeownership without a mortgage is most common.

There are people in highly vulnerable situations who are not entitled to benefits, for instance because they have been dismissed for misconduct or sanctions have been imposed on them. This is likely to lead to even more desperate situations, and potentially to lives

spiralling further out of control. To avoid this, it is important not to lose sight of these groups and to support them to put their lives back on track. The pandemic has also been a wake-up call about the need to address undeclared work, partly to address the fact that these workers lack social protection.

Minimum income benefits are usually paid at the household level, and benefits often depend on household income. While it could be seen as unfair if someone in a high-income household receives minimum income, household-level criteria can be problematic (especially for gender equality), particularly when household resources are not shared fairly. When young people or individuals with disabilities do not receive the benefit themselves, it can also discourage independent living and autonomy. France, for instance, from October 2023, gives minimum income benefits to people with disabilities to those people themselves instead of to the household and has made them independent of other household members' income. Austria, from 2018, has made means-tested lower-tier unemployment benefits dependent on individual income rather than household income.

Before the pandemic, social protection systems were already being adjusted to better include self-employed people and people with non-standard contracts. **The pandemic shone a spotlight on shortcomings in benefit systems.** Some countries sought to increase coverage for groups that were previously left uncovered (domestic workers, cultural workers) and for self-employed people and those with non-standard contracts more generally. **However, gaps in both coverage and adequacy remain.** Furthermore, in some countries (for example, Austria, Belgium, Croatia, Denmark, Finland, Poland, Portugal and Slovakia), only temporary measures were taken, with no structural changes in coverage of unemployment and minimum income benefit systems. Systems can be adapted to the situation of people with non-standard contracts and irregular work, and groups of self-employed people, for instance by basing entitlement to unemployment benefit on employment histories based on hours rather than days, and considering reasons for business failure for benefit entitlement. In many countries, all or subgroups of the self-employed, and those in non-standard forms of employment (workers on irregular or short-term contracts, doing grant-funded work, being marginally employed, and so on), are often not well covered. While municipal support for low-income groups and unemployed people, and sectoral unemployment benefits, can be tailored to specific needs, reduced fragmentation can address coverage gaps and non-take-up.

Support schemes vary locally or regionally in some countries, in terms of support amounts or entitlement criteria. Some countries have particularly fragmented unemployment systems, with various schemes for

different groups. In many countries, all or subgroups of the self-employed, and those in non-standard forms of employment (workers on irregular or short-term contracts, doing grant-funded work, being marginally employed, and so on), are often not well covered.

Non-take-up, overpayment and rejections

Legal entitlements are key, yet benefits often do not reach those who are entitled to them. **Between 20% and 50% of people entitled to minimum income support do not receive it.** There are also groups of people entitled to unemployment benefits who do not receive them. Others received these benefits too late, receive less than they are entitled to, face difficulties with the application procedure or live with uncertainty regarding whether they may need to repay some benefits. A first step is to acknowledge at national government level that non-take-up is a problem and implement a set of measures, as Belgium and France, and, more recently, the Netherlands and Spain have done. Automation, simplification and targeted proactive approaches seem particularly promising for policymakers interested in increasing the fairness of social protection and improving its effectiveness in poverty reduction and automatic stabiliser roles.

Overpayment of benefits need to be returned to authorities retroactively. One Member State (Slovenia) even reclaims minimum income benefits people received over their lifetimes from their inheritance. **Authorities' willingness to chase overpayments is in sharp contrast to their reluctance to chase non-take-up.** Member States currently do not retroactively compensate people who would have been entitled to minimum income or unemployment benefits but did not apply (for example, because they were unaware of their entitlement). Those seeking to enhance fairness in their benefit systems and address deprivation could consider introducing such compensation.

The risk of needing to pay back benefits can cause non-take-up, insecurity and overindebtedness. Finland, for instance, prevents this by considering only paid rather than earned income for entitlement to minimum income and lower-tier unemployment benefits. Benefit entitlement that depends on paid income only, however, is less responsive to current situations.

Rejection rates of minimum income or means-tested unemployment benefits are frequently 30% or above. Even for higher-tier unemployment schemes, over 10% of applications are rejected in almost all Member States with available data. Rejections are associated with administrative inefficiencies (assessment and clarification costs) and the risk of loss of trust in public administration (expectations are not met), and usually are a symptom of complex systems, which also result in

non-take-up. Greater attention to developments in, and reasons for, rejection numbers can provide useful learning material when seeking to improve transparency, efficiency and effectiveness of social protection.

Overall, there needs to be **more attention to costs associated with complex benefit rules and procedures for administrations, society and households**. These mainly include the cost of non-take-up, for instance in terms of long-term healthcare and social service costs (Eurofound, 2015). However, they also include the cost of greater need to inform people and of rejections. There are also non-monetary costs of non-take-up (for example, unfairness) and rejections (for example, unmet expectations). If all such costs are taken into account, it may be cheaper to widen the coverage by making entitlement criteria easier to understand or automate, and to reduce the need for recipients to pay back benefits in systems that are responsive to current income situations.

Digitalisation of application procedures

Problems in accessing adequate benefits existed before the implementation of digital application procedures, and these procedures did not make them disappear. For some groups, their introduction has improved access, while others did not reap the advantages or have had their access hampered by it.

This report has mapped initiatives to support people with digital applications. However, often support is very general, with initiatives to improve people's digital skills. It is unclear how effective it is, as few assessments have been identified.

While in-person application options have remained available, they have sometimes been reduced. Furthermore, digital applications benefit the digitally included but not those excluded, thus creating inequalities even when in-person options remain as accessible as before. People who are older, have disabilities and/or live in rural areas are among the most likely to be digitally excluded. However, it is important not to generalise as some groups of older people, people with disabilities and people in rural areas have benefited from online application options, including during the pandemic.

It is key to remain vigilant to guarantee rights, even when people gain experience with digitalisation and digitally excluded groups become smaller. **While providing alternatives to online options, it is also**

important to improve access to user-friendly online procedures, and to mitigate security and privacy concerns. In addition, digital applications should not reduce opportunities to engage with applicants to better understand their social support and employment integration needs. While well-designed digital application systems require investments, they can also save administrative resources, which could be at least partly devoted to improving in-person access. People in the most precarious situations, who are among those most in need of support, often find digital procedures an insurmountable obstacle (Défenseur des droits, 2022). One should look beyond digital solutions alone when trying to improve access.

Avoid considering narrow indicators when assessing social protection

Piecemeal comparisons of social protection systems based on certain dimensions can be deceptive. This report addresses this to some extent by discussing unemployment and minimum income benefits jointly, while paying some attention to other benefits. Still, this report risks overlooking, for instance, the fact that in some countries housing or child benefits are integrated into minimum income benefits while in others they are separate. Young people who do not qualify for unemployment schemes because of their short (or non-existent) contribution records, and requirements around age and/or independent living, may be covered by alternative schemes.

With regard to unemployment benefits, it can be too simplistic to focus only on comparing their duration, while not also considering how the amounts change over time. Furthermore, unemployment schemes cannot be seen separately from the alternative financial and in-kind benefits that unemployed people may be entitled to if they are not entitled (any more) to unemployment benefits. For instance, the Belgian higher-tier unemployment benefit does not run out. However, after some time it is reduced to a level close to lower-tier or minimum income benefits that other countries have in place for people whose unemployment benefit runs out.

The number of unemployed people registered with an employment office is not a comparable cross-country measure of unemployment. In some countries it is attractive to be registered as unemployed, as it is a prerequisite for access to financial and in-kind benefits other than unemployment benefits. Furthermore, countries differ in how actively they pursue deregistration.

Incentives for economic activation

It is a challenge to get financial incentives to work right and to guarantee benefit adequacy, while making work pay and ensuring fairness for people with low wages who are not entitled to benefits. Adequate pay for work is key. Schemes where one can maintain some benefits while taking-up work can only stimulate employment if unemployed people are aware of them, which is not always the case. Access to services such as healthcare and public transport which is attached to benefit receipt can discourage engagement in work, in contrast to more universally accessible services.

It is important to reduce incentives to use up entitlements. Denmark is an example to learn from. It implemented a flexible employment account for re-earning unemployment benefits, whereby, the less you use, the more you will keep for the next time it is needed. In addition, unemployment benefit usage is based on hours worked, so entire weeks of unemployment benefit entitlement are no longer used up when one is partially unemployed.

Sanctioning is more likely to get people into work if accompanied by opportunities and tailored support. Sanctions that increase gradually when people continue violating activation requirements, but are moderate and temporary, seem good practice. Temporary benefit reductions, rather than permanent discontinuation or deregistration, prevent losing contact with people in vulnerable situations. Attention needs to be paid to the multidimensional aspects of unemployment by providing training opportunities and referral, where necessary, to social, health and debt advice services. Those at risk include people with health problems and disabilities at levels just below those that may entitle them to tailored benefit schemes.

Access to adequate training for unemployed people is key, including in the context of the green and digital transition (Eurofound, 2023b). ICT is increasingly used by public employment agencies to identify support needs. However, there is a risk that measures will focus on providing support for those identified as being the most employable. While this may be seen as efficient, it will not lead to the integration of groups in particularly vulnerable situations, who need more targeted support. It is also key to provide an effective safety net for those people who do not effectively integrate into the labour market. ICT may also play a greater role in identifying needs, to help people live lives in dignity, rather than focusing only on employment integration.

Many people who are economically inactive are very actively involved in childcare or elderly care provision, or in volunteering. For many of them, it can be desirable to reduce their care burden and ensure they remain attached to the labour market. An answer could be sought in improving access to formal care services. However, **informal care work and volunteering may also need to be recognised more.** There could also be more emphasis on making sure that the (economic) activity people are activated into truly contributes to society, including in supporting the green transition. This alludes to the idea of an 'eco-social model of activation', providing vital care, ecological and community services (Dukelow and Murphy, 2022). At the same time, social protection systems need to be economically sustainable in the long term to provide adequate support to all in need (European Commission, Directorate-General for Employment, Social Affairs and Inclusion, 2024).

Conclusions

Social protection includes a range of monetary and in-kind entitlements. This report focuses on unemployment and minimum income benefits for people of working age. People with short or no employment records (mainly young people), the self-employed, those with non-standard working arrangements, and the long-term unemployed are often not entitled to higher-tier, or any, unemployment benefits. In none of the Member States for which non-take-up estimates were identified did more than 80% of those entitled to minimum income benefits receive them. Benefit recipients at higher risk of having an inadequate income include those without access to social housing in areas with high housing costs, unemployed people whose most recent job was low paid and long-term unemployed people. The report also investigates the rejection of applications (frequently, 30% or more are rejected), the digitalisation of application processes (most common for unemployment benefits) and financial (dis)incentives to take up work (typically, 1–6% of benefit recipients annually are sanctioned for not complying with activity requirements). Access to services is sometimes connected to the receipt of benefits, leaving the unemployed and those with low incomes who do not receive benefits without coverage.

Key findings

- Expenditure on unemployment and minimum income benefits per person unemployed and household in poverty respectively increased between 2012 to 2021, but so did expenditure on active labour market policies per person unemployed. Expenditure disparities between Member States on these three elements of social protection increased, especially during the COVID-19 pandemic.
- Social benefits halve the proportion of people aged 16–64 at risk of poverty in the EU, reducing it from 31% (after taxes and before transfers) to 15.5% (after taxes and transfers). If a lower poverty threshold is applied at 40% instead of 60% of median income, social benefits would raise to 69% of households above it (instead of 50.5%). About one-quarter of economically inactive and unemployed people are brought above the at-risk-of-poverty threshold of 60% of median income, and 73% and 63%, respectively, are brought above 40% of median income.

Coverage

- Overall, about two-thirds of unemployed people are left without benefits. Individuals with short or no employment records (mainly young people), the self-employed and those with non-standard working arrangements, and the long-term unemployed are often not entitled to higher-tier, or any, unemployment benefits.
- For higher-tier unemployment benefits, required contribution periods range from six months or shorter in six Member States to two years in three Member States. The benefit duration after two years of contribution ranges from five months or less (in 8 Member States) to over nine months (in 10 Member States). In 17 Member States (and DIS-COLL in Italy), the maximum duration of the main higher-tier unemployment benefit is one year or less. Duration is unlimited for higher-tier benefits in Belgium, and for lower-tier benefits in 6 other Member States.
- Groups facing gaps in minimum income support include households with low incomes or assets (homes that increased in value) above the entitlement threshold, groups of non-nationals (third-country nationals with temporary resident permits, EU citizens looking for work) and homeless people.
- No Member State was identified where more than 80% of those entitled to minimum income benefits receive them. Non-take-up seems less severe for higher-tier unemployment schemes. Lack of awareness of schemes that allow people to temporarily maintain some benefits while taking up work challenges the effectiveness of these schemes in encouraging people to take up work.
- Authorities' proactive approach to chasing overpayments contrasts with their efforts to identify non-recipients who would be entitled to benefits if they were to apply. Overpayments need to be paid back retroactively, while non-take-up is not compensated retroactively.

Adequacy

- The adequacy of minimum income and unemployment benefits depends on amounts, other entitlements (monetary or not), and people's varying needs. People at higher risk of having an inadequate income include those with health problems or disabilities, single parents, those in larger households, people without access to social housing in areas with high housing costs, unemployed people whose most recent job was low paid, long-term recipients and long-term unemployed.

- Three Member States have made higher-tier unemployment benefits dependent on prior income in 2024. Higher-tier unemployment benefits in five Member States, and almost all lower-tier ones, are (partly) independent of prior income. In almost half of Member States, benefits are capped at below 60% of the national average wage.
- The proportion of previous earnings paid out as unemployment benefit ranges from 50–55% to 80–90%. In 17 Member States, the amount decreases over time (in two of them, the amount decreases only for people receiving higher amounts). Four Member States have accelerated or implemented such decreases since 2023.
- Automatic indexation is applied in 15 Member States for minimum income benefits and 8 Member States for unemployment benefits. However, there are large differences in how responsive indexation is to changes in the cost of living by low income households, in terms of its frequency and basis.
- Minimum income and, more often, unemployment benefits can generally be applied for online. In only three Member States can neither of these benefits be applied for online, and in some other Member States, online options are used very little in practice. While in-person application options usually remain available, examples were identified where some steps are exclusively digital.
- Digital applications can improve access to benefits. However, they pose problems for groups of people who are older, have disabilities, have low educational attainment, are homeless, have low incomes or live in rural areas with difficulties accessing online applications. While some people in these groups benefit from digital applications, inequalities are created for those unable to reap the benefits. Problems seem worse for people entitled to minimum income benefits than for those entitled to unemployment benefits, as they tend to be in more vulnerable situations (for example, lacking access to electronic devices).

Rejections, digitalisation, sanctions and recipient characteristics

- At least 10%, and frequently over 30%, of minimum income benefit and unemployment benefit applications were rejected for almost all schemes for which data were identified, usually because the applicant did not fulfil asset or income requirements, or they submitted inadequate documentation.
- Sanctions for not complying with activity requirements, such as attending training courses or actively seeking employment, are typically imposed on 1–6% of benefit recipients annually.
- Those living in single-adult households, women and non-nationals are overrepresented among minimum income benefit recipients. Unemployment benefit recipients are more often nationals. Men also seem to be over represented in most Member States. However, over the past decade women have taken over as the majority in at least four Member States; some countries have seen the duration of benefit receipt increase, while at the same time the number of recipients has decreased.

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- European System of Integrated Social Protection Statistics: <https://ec.europa.eu/eurostat/web/social-protection/database/data-scheme>
- Euromod: <https://euromod-web.jrc.ec.europa.eu/resources/country-reports/latest>
- LMP database: <https://ec.europa.eu/social/main.jsp?catId=1143&intPageId=3227&langId=en>
- MISSOC: <https://www.missoc.org/missoc-database/comparative-tables/>
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- Social Benefit Recipients Database: <https://www.oecd.org/social/social-benefit-recipients-database.htm>

Annexes

Annex 1: National unemployment and minimum income benefit schemes, 2024

Table A1: Higher-tier unemployment benefits, 2024

Member State	Name
Austria	<i>Arbeitslosengeld</i>
Belgium	<i>werkloosheidsuitkering/chômage complet</i>
Bulgaria	<i>обезщетение за безработица</i>
Croatia	<i>novčana naknada za nezaposlene</i>
Cyprus	<i>επίδομα ανεργίας</i>
Czechia	<i>podpora v nezaměstnanosti</i>
Denmark	<i>dagpenge (voluntary)</i>
Estonia	<i>töötuskindlustus</i>
Finland	<i>ansiopäiväraha (voluntary) and peruspäiväraha</i>
France	<i>allocation d'aide au retour à l'emploi</i>
Germany	<i>Arbeitslosengeld</i>
Greece	<i>τακτική επιδότηση ανεργίας</i>
Hungary	<i>álláskeresési járadék</i>
Ireland	Jobseeker's benefit
Italy	<i>nuova assicurazione sociale per l'impiego and indennità di disoccupazione per i collaborator</i>
Latvia	<i>bezdarbnieka pabalsts</i>
Lithuania	<i>nedarbo socialinio draudimo išmoka</i>
Luxembourg	<i>indemnité de chômage</i>
Malta	<i>benefiċċju għal dizimpjieg</i>
Netherlands	<i>werkloosheidswet</i>
Poland	<i>zasiłek dla bezrobotnych</i>
Portugal	<i>subsídio de desemprego</i>
Romania	<i>șomerul înregistrat</i>
Slovakia	<i>dávka v nezamestnanosti</i>
Slovenia	<i>denarno nadomestilo za primer brezposelnosti</i>
Spain	<i>prestación contributiva por desempleo</i>
Sweden	<i>arbetslöshetskassa (voluntary)</i>

Table A2: Lower-tier unemployment benefits, 2024

Member State	Name	Amount per month (unless otherwise indicated)	Relation to higher-tier unemployment benefit	Contribution record requirement	Duration
Austria	<i>Notstandshilfe</i>	92% of prior higher-tier benefit (95% if below subsistence) Daily cap for the first 20 weeks depends on weeks of higher-tier benefit received (for 20 weeks it is €37.01, and for 30 weeks it is €43.17)	After	Same as for higher-tier benefit (as only entitled after receiving that); see Figure 7	Unlimited
Estonia	<i>töötutoetus</i>	€11.70/day	Instead	180 days in the past year	270 days (if dismissed for misconduct, 210 days)
Finland	<i>työmarkkinatuki</i>	€37.21/day (2023), minus 75% (50% for families) if income > €311/month (for families, €1,044, plus €130/child)	After, instead	No	Unlimited
France	<i>allocation de solidarité spécifique</i>	Maximum of €18.17/day (lower for recipients with a higher household income)	After, instead	5 years during the past 10 years	Unlimited
Germany	<i>Bürgergeld</i> (until 2023, <i>Arbeitslosengeld II</i>)	€563 for single adults/parents, €506/person for adult partners; €357–471 for people aged 0 to 25	After, instead, supplementing	No	Unlimited
Greece	<i>επίδομα μακροχρονίως ανεργών</i>	€200	After	Only after at least 1 year of higher-tier unemployment benefit receipt altogether (including prior receipt)	1 year
Ireland	Jobseeker allowance	€232 per week (higher if dependent children/adult)	Instead	No	Unlimited
Italy	<i>supporto per la formazione e il lavoro</i>	€350	After	No	1 year
Malta	<i>benefiċċju speċjali għal diżimpjeg and assistenza għal diżimpjeg, topped up with assistenza sussidjarja għal diżimpjeg</i>	<i>assistenza għal diżimpjeg:</i> €133.89/week (or 75% of this amount if co-habiting)	After, instead	50 weekly (paid or credited) social security contributions, of which 20 were in the 2 years preceding the year of unemployment	Unlimited
Portugal	<i>subsídio social de desemprego</i>	100% of IAS (if living alone, 80%)	After, instead	120/180 days	Dependent on age and contribution record, from 150 days (< 30 years old, < 15 months' contributions) to 540 days (aged 50+, ≥ 24 months' contributions)
Spain	<i>subsídio por el desempleo</i>	95% of IPREM (7–12 months, 90%; 13+ months: 80%)	After, instead	6 months (3 if the recipient has family responsibilities)	6 months (21 if the recipient has family responsibilities; 3, 4 or 5 months if contributed 3, 4 or 5 months)
	<i>renta activa de inserción</i> (45- to 64-year-olds)	€480	After higher tier and/or lower tier: people aged 45–64 with a disability who are victims of domestic violence and returning immigrants	12 months in the past 6 years	11 months
Sweden	<i>grundersättning</i>	SEK 11,220; €989 (reduced proportionally if not employed full time in the past 12 months, to a minimum of SEK 5,610; €495)	Instead (is not a member of an insurance fund, or has not been a member for long enough)	480 hours of part-time work in 6 consecutive months	300 days (+ 150 if the recipient has children)

Notes: 'Unlimited' means that the benefit can be received until the pension age (for example, 66 in Ireland); 'after' means after higher-tier benefit has run out; 'instead' means if not entitled to higher-tier unemployment benefit, usually owing to a lack of contributions/employment records, but sometimes, for example, if the higher-tier benefit entitles the beneficiary to a lower amount (Ireland), or if the beneficiary is aged 50+ (France) or in an excluded profession (for example, France); 'supplementing' means if the higher-tier benefit is below the national subsistence level; IPREM, the public multiple effects income indicator; IAS, the social support index.

Sources: Compiled by Eurofound from information provided by the Network of Eurofond Correspondents, national administrative bodies, the Mutual Information System on Social Protection and other sources

Table A3: Minimum income benefits, 2024

Member State	Name
Austria	<i>Sozialhilfe</i> (regional scheme)
Belgium	<i>leefloon/revenu d'intégration sociale</i>
Bulgaria	<i>месечна помощ</i>
Croatia	<i>zajamčena minimalna naknada</i>
Cyprus	<i>ελάχιστο εγγυημένο εισόδημα</i>
Czechia	<i>příspěvek na živobytí</i>
Denmark	<i>kontanthjælp</i>
Estonia	<i>toimetulekutoetus</i>
Finland	<i>toimeentulotuki</i>
France	<i>revenu de solidarité active</i>
Germany	<i>Sozialhilfe</i>
Greece	<i>ελαχιστο εγγυημενο εισοδημα</i>
Hungary	<i>foglalkoztatást helyettesítő támogatás</i>
Ireland	Supplementary welfare allowance
Italy	<i>assegno di inclusione</i> (until 2024, <i>reddito di cittadinanza</i>)
Latvia	<i>pabalsts garantētā minimālā ienākuma līmeņa nodrošināšanai</i>
Lithuania	<i>socialinė pašalpa</i>
Luxembourg	<i>revenue d'inclusion sociale</i>
Malta	<i>għajjuna soċjali</i>
Netherlands	<i>bijstand</i>
Poland	<i>zasiłek okresowy</i>
Portugal	<i>rendimento social de inserção</i>
Romania	<i>venitul minim de incluziune</i> (until 2024, <i>venitul minim garantat și alocația pentru susținerea familiei</i>)
Slovakia	<i>pomoc v hmotnej núdzi</i>
Slovenia	<i>denarna socialna pomoč</i>
Spain	<i>ingreso mínimo vital</i>
Sweden	<i>ekonomiskt bistånd</i>

Annex 2: Network of Eurofound Correspondents

Table A4: National correspondents who contributed to the report

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Czechia	Jana Váňová	Research Institute for Labour and Social Affairs (RILSA)
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Estonia	Ann Gertrud Norberg and Kelly Toim	Praxis Centre for Policy Studies
Finland	Vera Lindström	Oxford Research
France	Pascale Turlan and Frédéric Turlan	IR Share
Germany	Thilo Janssen	Hans Böckler Foundation
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	Sofia Gualandi	Università di Ferrara
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This report focuses on unemployment and minimum income benefits for people of working age. Individuals with short or no employment records (mainly young people), the self-employed, those with non-standard working arrangements, and the long-term unemployed are often not entitled to higher-tier, or any, unemployment benefits. No Member State was identified where more than 80% of those entitled to minimum income benefits receive them. Benefit recipients at higher risk of having an inadequate income include those without access to social housing in areas with high housing costs, unemployed individuals whose most recent job was low paid and the long-term unemployed people. The report also investigates the rejection of applications (frequently, around 30% are rejected), the digitalisation of application processes (most common for unemployment benefits) and economic activation requirements (typically, 1–6% of benefit recipients annually are sanctioned for not complying with activity requirements) and service entitlements.

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.

