

Digitalisation of social protection

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Introduction

The EU and Norway are global leaders in digital government transformation and their social protection systems are being digitalised rapidly. This provides great opportunities in terms of improving the effectiveness and efficiency of social protection, but it can also reduce access for digitally excluded groups and risk dehumanising social protection. This report focuses on monetary social benefits, specifically those for unemployment, sickness, maternity/paternity, disability, old age and work accidents and occupational diseases, and also minimum-income, child and housing benefits. It maps the extent to which the front- and back-office processes of social benefit systems are digitalised in the EU Member States and Norway and the impact of the EU on this process. It discusses the challenges faced and the opportunities encountered by countries when social protection is being digitalised, as well as mitigation measures and success factors. Finally, policy pointers are presented. This report draws on the literature, input from the Network of Eurofound Correspondents and Eurofound's desk research.

Policy context

The European Pillar of Social Rights includes the right to social protection and inclusion. The 2019 Council Recommendation on access to social protection for workers and the self-employed argues that digitalisation can contribute to 'improving transparency for individuals'. The 2022 European Declaration on Digital Rights and Principles reinforces this vision by committing the EU to a digital transformation that is inclusive, benefits everyone and respects fundamental rights. The EU's Digital Decade policy programme sets out targets for 2030, including on digital skills, infrastructure and government. One of its aims is to make all key public services accessible online by 2030. The digitalisation of social protection happens within legislative boundaries, including those set by the EU's General Data Protection Regulation, Artificial Intelligence Act and Accessibility Act.

Key findings

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The digitalisation of social protection can enhance access, especially outside opening hours and in areas without public offices, including helping addressing non-take-up, for instance by reducing stigmatisation of application procedures; lower administrative costs; and improve user experience, responsiveness and transparency of the system. However, it also comes with challenges, such as increasing vulnerability to cyberattacks, exacerbating inequalities in access to social protection due to digital exclusion and reducing opportunities for referral and support. Digitalisation can reduce biases and errors, but may also cause them.

- For the benefits considered in this report, in 10 Member States and Norway, digitalised application is possible for all, or all but one, of them. The digitalisation of front-office processes is advancing rapidly; for example, from 2023 to 2025, at least five Member States digitalised the applications for various benefits. Usually, applications can be non-digital as well but, in at least five Member States and Norway, one or more of these social benefits can now exclusively be applied for online.
- In benefit systems managed by employers and insurance funds, digitalisation of application procedures can differ between employers and insurers, and central e-portals tend to be less comprehensive than in systems in which national social security plays a larger role. Sometimes, whether people can apply digitally or need to submit paper applications depends on whether they are employees, self-employed or unemployed. Benefits targeting groups in more vulnerable situations (such as housing and minimum-income benefits) tend to be less digitalised, partly because they are often managed at the local level and require more complex entitlement checks than other types of benefits (including proof of income and assets).
- The digitalisation of proofs of fulfilling certain entitlement criteria has been key in facilitating the digitalisation of benefits (e.g. registration at an employment service, proof of recent income). For instance, the digitalisation of healthcare (allowing doctors to issue digital sickness and pregnancy certificates) has been an important step in digitalising applications and entitlement checks for sickness, maternity, paternity and disability benefits. The digitalisation of pensions and healthcare benefits has often been driven by EU initiatives to stimulate interoperability between Member States.
- The digitalisation of front- or back-office processes often does not apply to certain atypical situations (e.g. non-standard employment). Furthermore, benefits targeting atypical, less common situations are frequently not digitalised. Overall, people in atypical situations are frequently excluded from digitalised processes.
- Child benefits are often automated, removing the need to apply. However, this automation typically does not apply to people in certain atypical situations.
- The assessment of applications is rarely fully automated, and human action is often needed to validate the input for or output of decisions (especially rejections) and to process atypical cases.

- Policy documents and strategies highlight the potential of digitalisation to free up resources so that social protection workers can manage more complex cases and support people in particularly vulnerable situations. However, while cost-benefit analyses showing savings are available, it is not always clear if all costs have been considered, and hardly any documented evidence was found clarifying how the freed-up human and financial resources were used.

Policy pointers

- Building and maintaining trust in institutions is a desirable outcome of digitalisation and a precondition for its success. Without it, the usage of, compliance with and support for digitalisation and data sharing may falter. Trust can be strengthened through inclusive stakeholder engagement, transparency of algorithms and data usage, reliable human-in-the-loop mechanisms and accessible appeal mechanisms.
- For digitalisation to be successful, it is important to involve stakeholders, such as people entitled to the benefits, social protection workers, insurers, social partners, doctors and civil society. The advantages for those involved should be clear and well communicated. Particular attention should be paid to the digital barriers, and the administrative and linguistic barriers that may be more pronounced in a digital environment, faced by groups in vulnerable situations when accessing social protection, for instance through inclusion audits in system development.
- To improve access to social protection systems, it is essential to learn from user experiences and queries. However, one should not overlook the views of people who apply by post or in person. Employees of local benefit offices can provide valuable information to improve access. It is also important, but more challenging, to seek input from people who would qualify for benefits but have not applied.
- People in atypical situations not covered by digital benefit processes can be in particularly vulnerable situations. They are at risk of not receiving the benefits to which they are entitled. Social protection systems need to pay special attention to reaching these people.
- To help social protection workers perform their changing roles in digitalised systems, it is key to provide them with training and resources. Their tasks need to be redesigned with a consideration of new digital activities, including interacting with new tools while providing consistent support to the users of their services.
- Even the best-protected digital social protection systems can be hit by cyberattacks, system breakdowns and power cuts. Solid backup plans must be in place to safeguard user data and ensure continuity of social protection.
- Testing digitalisation thoroughly before implementing it, being transparent about the data and algorithms used and running ex ante evaluations and regular monitoring can help ensure

that digitalisation has few negative impacts and that, when they do occur, they are mitigated. Accessible complaint procedures, the judiciary, civil society, the media and research organisations have a crucial role to play in spotting built-in biases and data protection infringements.