Digitalisation in social protection: family and child benefits across the EU

'Breaking Silos, Building Futures: Policy Innovations for Integrated Family and Child Support'

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Context – Eurofound project on digitalisation of social protection

- Mapping the state of digitalisation of social benefits (including but not limited to **maternity/paternity, child and family benefits**)

- Identifying examples to improve **transparency**, reduce **non-take-up**, reduce **fragmentation**, and improve service quality and efficiency.

- Discussing possible **positive and negative impacts** of digitalisation for institutions and (potential) beneficiaries:
  - identifying safeguards to address risks
  - seeking to understand success factors and challenges in implementing digitalisation policies

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Focus – child and family benefits

- Child benefits among the most **automated** in the EU, automatically granted upon childbirth or registration of the child
  - E.g. Austria, Estonia, Finland (partly), Hungary (once-off payment)…
  - Human intervention needed only in **non-standard situations** (e.g. child born abroad, foster families, etc.)
  - In most cases this is a **recent development** and/or **still a WIP** (PT, SK)
- Two main enabling reasons: benefits are **not means-tested** and/or it is relatively **easy to check entitlement** (e.g. with tax authority data)
- In most cases, even if benefits are not automated **it is possible to apply online**

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Challenges

- Fragmentation

- Data access and management

- Automation

- Digital divide(s)

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Challenges – Fragmentation

- Different social insurance **providers** (e.g. BE) or **governance levels/units** (e.g. PT)

- Procedures may also vary for **different groups**, e.g. self-employed vs employees vs unemployed (HU, LU, NL)
  - Especially relevant for **maternity/paternity benefits** with multiple actors and steps involved

- Complicates service for both **front-office and back-office users** and can cause **uneven quality of service**

Challenges – Data access and management

- Back-office perspective on fragmentation
- Verifying entitlements and calculating amounts requires **cross-checking across multiple data sources** (e.g. population registers, tax authority data, etc.)
  - These sources are often **not interconnected**
  - Data sharing can be complicated by **legal, technical or practical obstacles**
- Solutions: **unified interfaces** (CZ), **data-sharing agreements** (PT, SI), **streamlined/centralised procedures** (DK)
- Back-office harmonisation → front-office simplification

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Challenges – Automation

- Can considerably simplify and speed up procedures (and save resources) but it is still a **legislative grey area**

- Concerns about **data governance** (including security)**, transparency and bias**
  - cf. the NL child benefit scandal

- Examples of safeguards:
  - Obligation to disclose use of algorithms/automation in detail (FI, HU, NL)
  - Human intervention required in specific cases

- Relatively limited use in child/family benefits

Challenges – Digital divide(s)

- Complex and multi-faceted concept
- Digitalisation can lead to **reduced options** for paper or in-person applications → reduced access for certain groups **who are often those who need benefits the most**
  - e.g. single parent households, households with migrant background, low-income households
- Digital procedures can be **non-user-friendly,** stressful, complex, lengthy…
- Automating benefits and making applications redundant can help address digital divides

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Main takeaways

- Improving **interoperability and interconnection** across data sources
- Addressing **atypical situations and digital divides** more proactively to ensure no one is left behind
- Addressing the **role of automation** and the **need for transparency and fairness** in using algorithms
- Digitalisation must always be **user-centric**

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Thank you

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