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Date

Betreft Public Consultation on a European Labour Authority and a European Social Security Number

Dear Sir, Madam,

In reaction to the Commission's questionnaire on a European Labour Authority and a European Social Security Number (ESSN) we would like to draw your attention to the guiding principles we will apply when judging the planned Commission proposal on these issues. We think it is very important to provide some clarity on what we think are a number of essential conditions which have to be met, in order to provide better (social) services to our citizens, to continue our effort in guaranteeing equal pay for equal work, and to enable an effective fight against fraud and error in Europe.

It goes without saying that the idea of one central institution for European Labour issues, and one identification number for all citizen is an obvious track for the purpose of better implementation and enforcement of labour market and social security regulations. At the same time, however, we should take a critical look at what these measures would mean for existing national and European structures and practices, and specifically on which type of deficiencies these initiatives should be focused. We have to keep in mind that labour and social security regulations in Europe, their organisation, administration and level of digitalisation vary considerably among the Member States. Adding institutions or instruments to this practise will not always be simple or necessary. We have to be very careful not to hinder existing administrative institutions and practices by adding more bureaucracy without an undeniably positive business case.

With these caveats in mind we would like to share some thoughts with you on the position these new initiatives within the existing European and national frameworks.

European Labour Authority (ELA)

On cross-border employment and social security matters there remains significant room for improving cooperation at the EU-level. The ELA might be an opportunity to strengthen this cooperation. At the same time the proposal for the creation of the ELA needs to be further clarified especially, the scope of the organisation, its organisational structure and governance. The ELA proposal needs to take into account the principle of subsidiarity and to present on the basis of a well-founded

impact assessment a clear breakdown of its future activities. The ELA should be dealing not only with labour mobility within the EU but also with cross border fraud that is related with the free movement of workers. In particular fraud related to social security abuse and the violation of workers' rights. There is a need for ensuring proper integration of the social partners in the work of the ELA. The ELA might have an added value as existing structures and mechanisms for cooperation provide not in all cases an integrated approach of cross border labour market issues. The ELA could therefore coordinate already existing structures for cross border cooperation and initiatives to improve this cooperation rather than replace existing bodies and mechanism.

European Social Security Number (ESSN)

As far as ESSN is concerned we would like to remark that, generally speaking, the introduction of a European social security number could contribute to improved identification in cross-border traffic and to better data exchange between authorities in different Member States. In the Netherlands we do have positive experience with our national Citizens' service number (BSN). It has simplified the service provision to citizens, it has improved the data exchange between different authorities and has markedly contributed to the fight against fraud and error in a national context. But it has also taken many years to get the system working in an effective way. Introducing any 'cross border number system' is bound to be a complex (IT) operation.

Based on these experiences we do have many questions regarding purpose, technical architecture and governance of a system of ESSN which should be answered before we can form an opinion about the viability of an ESSN. First of all it is essential to know for which forms of cross-border traffic the number could be used, and what the role of ESSN would be in the applicable procedures. Furthermore, the very practical questions of how and by whom social security numbers should be generated, who would be responsible for their administration and maintenance, and what their place would be in existing national administrations, needs to be addressed. For privacy reasons it should be clear to what extent the number could be used by institutions and authorities in- and outside the social security environment, e.g. by employers and citizens themselves. Another aspect would be how to incorporate third country nationals (legally residing in the Member States) in the system. In general, attention should be given to the fact that any ID number is only one tool in a much larger administrative process, and that if underlying administrations are unreliable this would greatly diminish the use of ESSN.

All these conditions are not meant to discourage the further development of ESSN, but to underline the necessity of a very precise stipulation of its purpose including a soundly positive business case (cost-benefit analysis). It should be clarified which existing problems in the field of cross border social security the number should tackle, in what way and under which conditions the introduction of the ESSN would solve these. Only then can we make a reliable estimation of the costs and benefits of, and the business case for, the introduction of ESSN.

Yours sincerely,

The Minister of Social Affairs and Employment,

W. Koolmees