

Denmark

A European Social Security Number to facilitate free and fair movement of workers in the EU

Free movement of people and services is a prerequisite for a strong and competitive EU. Historically, the free movement has benefitted both workers, consumers, companies and society by establishing common, fair and equal rules.

Although free and fair movement is a common objective of the EU and the Member States, shortcomings in the current framework still need to be addressed. Instances of fraud and abuse by unscrupulous companies highlight the need for stronger enforcement and more effective control measures at EU level to support fair labour mobility. Meanwhile, many workers are at risk of being exploited as a result of lacking awareness of their own rights in an employment relationship. Here, there is a need to improve and simplify workers' access and knowledge of their rights, especially in cross-border situations.

Important steps have already been taken to promote fair mobility in the EU. The newly established European Labour Authority (ELA) will work to prevent fraud and abuse of the EU labour mobility rules by strengthening cross-border cooperation and enforcement. Workers' access to information about their working conditions will be enhanced by the Directive on Transparent and Predictable Working Conditions, while the revisited Posting of Workers Directive improves fair mobility for posted workers. Moreover, important steps were taken through the Mobility Package to ensure equal pay for equal work in the transport sector.

Still, we need to do more to promote free and fair mobility and avoid downwards pressure on working conditions and workers' rights. A system for the identification of mobile workers and posted workers would be a tangible result in that regard. Denmark thus invites the Commission to revive its efforts for a European Social Security Number. In this regard, we warmly welcome the call of the European Parliament in their resolution of 19 June 2020 for the Commission to put forward an impact assessment regarding the proposal.

A central purpose of a European Social Security Number would be to make it easier for public authorities to prove the identity and facilitate the exchange of valid and accurate information including the employment relationship of mobile workers and posted workers. It should assist in ensuring that all companies adhere to the regulation and legislation in the EU. Ideally, a social security number would also promote smooth and efficient data exchange between authorities in different Member States potentially reducing administrative burdens.

As we strive to restore the European economies and mitigate the consequences of COVID-19, protection of workers must remain at the top of our agenda. A European Social Security Number would simplify workers' access to information of their rights and make it easier for them to present proof of identification and to share information in cross-border situations hereby reducing the risk of exploitation.

An impact assessment should look into the possibility to include the following information about mobile workers and posted workers in a proposal to establish a European Social Security Number:

- Information about the employment relationship and employment conditions such as information on the employer, the workplace, the working period and contractual relationships
- Social security coverage status
- Relevant insurance information
- Information on tax payments

For a social security number to fulfil the abovementioned purposes it must be supported by the necessary infrastructure. In this regard, the introduction of a physical ID card for mobile workers and posted workers would add significant value to a digital infrastructure. However, conclusions on relevant design and infrastructure should await the findings of a thorough impact assessment.

The impact assessment should further explore the possibilities and challenges associated with a new central information database at the EU-level or rather an EU-interface connected to national databases. Account must be taken of existing structures and tools such as the Information system for the Internal Market (IMI), Electronic Exchange of Social Security Information (EESSI), the Single Digital Gateway (SDG) including the once-only principle and the ongoing eIDAS review, while respecting the division of competences between Member States and the Commission, the autonomy of social partners and the principles of the Internal Market. Experience and learnings from existing structures must be taken into account in due course to avoid disproportionate administrative and economic costs and ensure solid data protection of any personal data. It should be noted that a social security number cannot in itself provide a guarantee for identity. Special attention should therefore be paid to ensure secure registration processes, issuance and documentation. Finally, a European Social Security Number must be without prejudice to national personal numbers and registration schemes.

Denmark believes that a properly designed European Social Security Number would be an important step to fight fraud and abuse in the EU and ensure better cooperation between Member States while improving the protection of workers and we remain available for further consultations on this matter.