



Critical, digital, sovereign: Social insurance as a driver of Europe's competitiveness

Joint statement of the German Social Insurance (DSV), the German Federal Pension Insurance (DRV Bund), the German Social Accident Insurance (DGUV) and the National Association of Statutory Health Insurance Funds (GKV-Spitzenverband)

The German social insurance systems promote social cohesion by safeguarding against essential life risks and make a major contribution to social peace. Effective social protection not only improves social participation but also helps to keep insured persons in employment for longer, which in turn contributes to sustainable growth in Europe and strengthens its resilience. High-performing social security systems therefore safeguard Europe's future.

Digital transformation can serve as a catalyst here. When processes close to insured persons are offered digitally as the standard, this not only improves service and accessibility, but also creates additional potential for automation and the use of artificial intelligence (AI). This enables social insurance to provide services more quickly, efficiently and with a stronger focus on citizens.

In the context of this digital transformation, digital applications and AI make it possible to use resources efficiently and effectively address the impacts of demographic change and skills shortages. Europe-wide interoperable systems and European data spaces form the basis for closer administrative cooperation and less bureaucracy. This promotes productivity and innovation and makes it clear: digitalisation in the public sector contributes to Europe's competitiveness.

Digital innovations must therefore continue to be advanced and regulatory requirements translated into practical solutions. This explicitly includes the responsible use of AI. Wherever AI creates real added value for the administration, businesses, citizens and employees, it should be deployed in a targeted manner. Social insurance can play an important role in ensuring that Germany makes noticeable progress in digitalising its administration compared to the rest of Europe.

To fully exploit the potential of digital technologies, political support at European and national level and reliable framework conditions are required. One thing is clear: social insurance is a central driver of digital transformation and should therefore be actively involved right from the start.

1 _ Coherent legal framework for digital transformation

DSV explicitly supports the European Union in establishing a framework for digital transformation in public administration. Instruments such as the General Data Protection Regulation, the AI Act, the Apply AI Strategy and the planned Cloud and AI Development Act set important parameters. In addition, the eIDAS Regulation, the Single Digital Gateway, the Once Only Technical System and the Interoperable Europe Act create the necessary technical and organisational preconditions to make interoperability across administrations a reality.

At the same time, the German Federal Government is establishing a foundation for the safe and responsible use of digital technologies at national level. The Federal Ministry for Digital and Administrative Modernisation (BMDS) is strategically advancing infrastructure, data policy and digital sovereignty through its modernisation agenda, with a clear focus on the secure use of AI and cloud technologies. In parallel, the Federal Ministry of Labour and Social Affairs (BMAS) analyses the labour and social policy effects of digital innovations. Together with social insurance institutions, binding guidelines for the responsible use of AI in labour and social administration have already been developed.

To ensure that these developments have an impact and that the opportunities of digitalisation are fully realised, German Social Insurance calls for:

- _ consistent alignment of European and national regulations and an efficient joint governance structure that creates clear responsibilities and ensures transparent and secure data processing,
- _ coherent further development of the policy program for the Digital Decade and accompanying horizontal legislation in combination with sector-specific initiatives such as the European Health Data Space (EHDS) and the European Social Security Pass (ESSPASS),
- _ ensuring compatibility between European solutions and national infrastructures to avoid parallel structures and enable seamless interfaces with European services, for example, in health care or social insurance,
- _ user-friendly, low-bureaucracy and practical implementation of European regulations to strengthen the trust of citizens and employees.

2 _ Responsible use of digital applications

AI opens up considerable opportunities for social insurance, ranging from more efficient service provision and modern occupational safety measures to proactive



health care. The prerequisite is a user-oriented and responsible deployment that safeguards data protection, fundamental rights, non-discrimination and transparency. Numerous practical examples show that this can be achieved: social insurance institutions already use AI applications for error detection, processing unstructured documents or preventing accidents using AI based prediction models. In statutory health insurance, AI supports improved care, for example, by analysing medical data for early diagnosis of diseases and supporting insured persons or optimising treatment processes. These experiences demonstrate that digital technologies can be used responsibly and beneficially for insured persons, administrations and employers alike.

With the AI Act, the European Union is creating the first comprehensive regulatory framework for the development, market placement and use of AI systems. It ensures transparency, ethical standards, data quality, human oversight and traceability. What matters is that the requirements for high-risk AI applications are designed realistically and in a practical way. Especially because public administration is already under significant pressure due to demographic change and skills shortages, it needs less bureaucracy and workable solutions.

However, technology alone is not enough. Acceptance and active involvement of employees are crucial. Only when both technology and people are equally supported can the transformation be successful. For the responsible use of digital applications, German Social Insurance therefore calls for consistent investment in two core areas:

- _ expanding and further developing sovereign European infrastructures such as secure cloud solutions, interoperable administrative procedures and modern interfaces,
- _ training employees, providing change management for the introduction of digital applications and promoting an innovation-friendly administrative culture.

3 _ European cooperation and interoperability

Cross-border labour mobility under fair conditions is a central component of the European social model. It strengthens economic and social upward convergence and is also a key factor for Europe's competitiveness. The European Commission provides important impetus by using digitalisation to promote cross-border employment. Both the Labour Mobility Roadmap (end of 2025) and the Fair Labour Mobility Package (spring 2026) will place particular emphasis on digitalisation. Social insurance is actively contributing to making these initiatives practical, for example, through participation in EU-wide pilot projects such as DC4EU and WE BUILD. In this way, it contributes its experience directly to the European discussion and strengthens close cooperation between the member states and the European Commission. Key components of European interoperability, such as the European Digital Identity Wallet

(EUDI Wallet) for authentication and storing Europe-wide verifiable digital credentials, are being developed today in close collaboration with social insurance.

To fully leverage the advantages of cross-border labour mobility, digital administrative procedures and European interoperability must be consistently implemented. Major opportunities lie in the development and introduction of ESSPASS and in implementing EU-wide access to health data for care and research based on the EHDS. Furthermore, initiatives to promote labour mobility should take into account measures that modernise, simplify and digitalise the coordination of social security systems in Europe. The successful introduction of the Electronic Exchange of Social Security Information (EESSI) serves as a model here.

Experience from administrative practice is essential to design measures that are practical and ensure efficient, appropriate and cost-effective implementation. Therefore, German Social Insurance calls for:

- _ consistent inclusion of social insurance expertise at European level to draw upon existing experience in measures related to European interoperability,
- _ involvement of social insurance in decision making structures at national level, so that it can be included early in critical projects such as the National Once Only Technical System for register modernisation.

About us

The German Federal Pension Insurance (DRV Bund), the German Social Accident Insurance (DGUV), the National Association of Statutory Health Insurance Funds (GKV-Spitzenverband), the national associations for statutory health and long-term care insurance funds at the federal level and the Social Insurance for Agriculture, Forestry and Horticulture (SVLFG) have joined forces to form the "German Social Insurance - Working Group Europe" (Deutsche Sozialversicherung Arbeitsgemeinschaft Europa e. V.) with a view to their common European policy interests. The association represents the interests of its members vis-à-vis the bodies of the European Union (EU) as well as other European institutions and advises the relevant stakeholders in the context of current legislative projects and initiatives. As part of the statutory insurance system in Germany, health and long-term care insurance with 75 million insured persons, pension insurance with 57 million insured persons and accident insurance with more than 70 million insured persons in 5.2 million member companies offer effective protection against the consequences of major risks of life.