

# ed



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**Bismarck on the move:  
Get digital. Go green.**

Dear readers,

This year, not only the single market turned 30 years old. The European Representation of the German Social Insurance in Brussels also celebrated its thirtieth birthday. We have taken the anniversaries as an opportunity to look at two major social developments and their significance for social insurance within the framework of a high-level expert conference: Digitisation and climate change.

You know that we have been working on these issues for some time. As part of our event "140 years of social insurance – 30 years of the single market: "Bismarck on the move: Get digital. Go green." we have been able to gather new insights. We would like to share these with you.

We are in the midst of profound social changes. According to the World Health Organisation (WHO), climate change is the greatest global health threat of the 21st century. We are feeling its consequences even today. They have a direct and strong influence on the social security systems: health care, emergency care, occupational health and safety, and not least on pensions with their numerous clinics or in vocational rehabilitation. We will have to face that.

Digitisation is also in full swing. It is changing the way we learn, work, do business, communicate and manage our everyday lives in the future. Digitisation does not only affect our operational processes. It will also contribute significantly to better enforcing workers' rights in Europe, making the system of social security coordination more citizen-friendly and improving cross-border cooperation as a whole. Here, too, it is up to the social insurance to proactively take up the tasks that arise and to organisationally and practically secure the modernisation thrust. To achieve this, the social insurance must be closely involved in the political and technical developments of the relevant EU initiatives from the very beginning.

The European Representation was founded 30 years ago in Brussels to enter into dialogue with each other, to work on practical solutions and to shape policy in an implementation-oriented way. This is also the message of our conference. This involves both early communication so that implementation problems are avoided as far as possible and technical developments do not diverge. With a view to climate change, however, it is also a matter of taking people along in the upcoming processes of change and adaptation, counteracting a lack of perspective and fatalism, and pointing out possible solutions.

With this ed\* we would like to share our impressions with our readers who may not have had the opportunity to follow our event live.

I hope you enjoy reading it.



Yours sincerely, Ilka Wölfle

# Get digital.

But together please!

During the pandemic, it was the lighthouse par excellence: The COVID digital certificate. Simple technology – great benefit. People in the European Union (EU) could travel again and enjoy their freedom of movement. The success of the vaccination certificate lay in the fact that it was a collaborative project from the beginning. And its benefits were immediately noticeable. For each and every individual.

Community action in the EU has been strengthened by the EU single market since 1993. With regard to technological progress, former Commission President Jean-Claude Juncker coined the term “digital single market” in 2014. In the strategy for a digital single market of 6 May 2015<sup>1</sup>, the European Commission then made this idea more specific. Their core demands included better online access of consumers and businesses to goods and services; including public services.

Shortly before the outbreak of the coronavirus pandemic, the European Commission once again deepened its ideas for “shaping Europe’s digital future”<sup>2</sup> and highlighted interoperability between public sector authorities as a key measure. Already here, the need for a recognised public electronic identity was pointed out so as to allow EU citizens to use their data and (public) services securely.



Joost Korte, Director-General of the European Commission's Directorate-General for Employment, Social Affairs and Inclusion

**“Freedom of movement is an important freedom of EU citizens. Therefore, there must be good social protection and good digital services for the 13 to 15 million migrant workers.”**

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1 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 6 May 2015, A Digital Single Market Strategy for Europe, COM(2015) 192 final

2 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Affairs Committee and the Committee of the Regions of 19 February 2020, Shaping Europe’s digital future, COM(2020) 67 final

Then, on 9 March 2021, the European Commission presented its Digital Compass 2030.<sup>3</sup> This resulted in the policy programme for 2030 “Road to the Digital Decade”. One of the core tasks of the programme is the digitisation of public services and social security. With millions of migrant workers, the aim is to ensure smooth, digital communication between social security institutions in the EU and their clients.

Unlike the digital COVID certificate, the political plans of the European Commission have remained quite abstract and are not (yet) noticeable in everyday life. Moreover, the initiatives for the digitisation of social security that have been launched in the meantime do not appear to be stringently coordinated. But the first good foundations have already been laid.

### **EESSI lesson**

For the social insurance funds, cross-border electronic communication is no longer new territory. In 2010, Regulation (EC) No. 883/2004 on the coordination of social security systems created the legal basis for the electronic exchange of social security data (European Exchange of Social Security Information – EESSI). Within the framework of EESSI, the European social security institutions can exchange information on individual cases electronically with each other by means of Structured Electronic Documents – SEDs. For this purpose, precise processes had to be defined, the so-called Business Use Cases (BUCs); 99 in total. On this basis, the European social security institutions can communicate with each other digitally in a clear, unambiguous and legally secure manner despite all their differences. In the meantime, the majority of Member States are “EESSI-ready”. The road to this point was long, the depth of regulation was underestimated. The Belgian Deputy Prime Minister and Minister for Health and Social Affairs, Frank Vandenbroucke, made it clear in his keynote speech at the German Social Insurance (DSV) anniversary event that his country will now bring the implementation of EESSI in the EU, the EEA states and Switzerland to a full conclusion on the occasion of the 2024 Council Presidency.

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<sup>3</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Affairs Committee and the Committee of the Regions of 9 March 2021, 2030 Digital Compass the European way for the Digital Decade, COM(2021) 118 final



Gundula Roßbach, President of the German Pension Insurance Association

“Social insurance must be involved in digitization projects at an early stage so that common, compatible solutions can be developed from the outset and in European cooperation. EESSI has made it clear how important this cooperation is in order to save valuable time, costs and resources.”

## Single Digital Gateway – Access for Citizens

The logical next step is to enter into digital communication between citizens, social security institutions and authorities. This is important because the coordination rules in the area of cross-border social security are complex, and it is often not possible to resort to the domestic administration. With the Single Digital Gateway (SDG), a portal has been created where citizens and businesses can find basic information on European law, access targeted national information and access various online services. This is because the European portal is connected to the individual Member State portals, in Germany to the federal portal. The SDG can be found under “Your Europe”.

## Digital Social Security Card and European Identity

The European Social Security Card (ESSPASS) is nothing more than a digital summary of important social security documents such as the A1 certificate or the EHIC. The ESSPASS is in turn to be part of a European digital “wallet”, which in turn is part of a European Commission proposal for a digital identity (eID)<sup>4</sup>. This is because every EU citizen is to have an electronic means of identification in the future, which will be valid for both the public and the private sectors. In future, the eID can also be used for identification and authentication, for example, for internet payments, opening accounts online, etc.

### Single Digital Gateway

The SDG portal can be reached via the website <https://europa.eu/youreurope>.

The content of this portal will be created successively. The German social security institutions contribute information here on national law governing work and retirement, medical care, information for workers and on health and safety at work. Online services include the portable A1 document for proof of social security in the country of origin, the European Health Insurance Card (EHIC) as a basis for entitlement to health treatment in another EU country and the pension application procedure. However, in order to make this possible, some basic requirements still have to be met. A digital social security card and a digital identity are needed.

<sup>4</sup> Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No. 910/2014 as regards establishing a framework for a European Digital Identity of 3 June 2021, COM(2021) 281 final



Dr Carsten Stender, Head of Department for European and International Employment and Social Policy at the Federal Ministry for Labour and Social Affairs

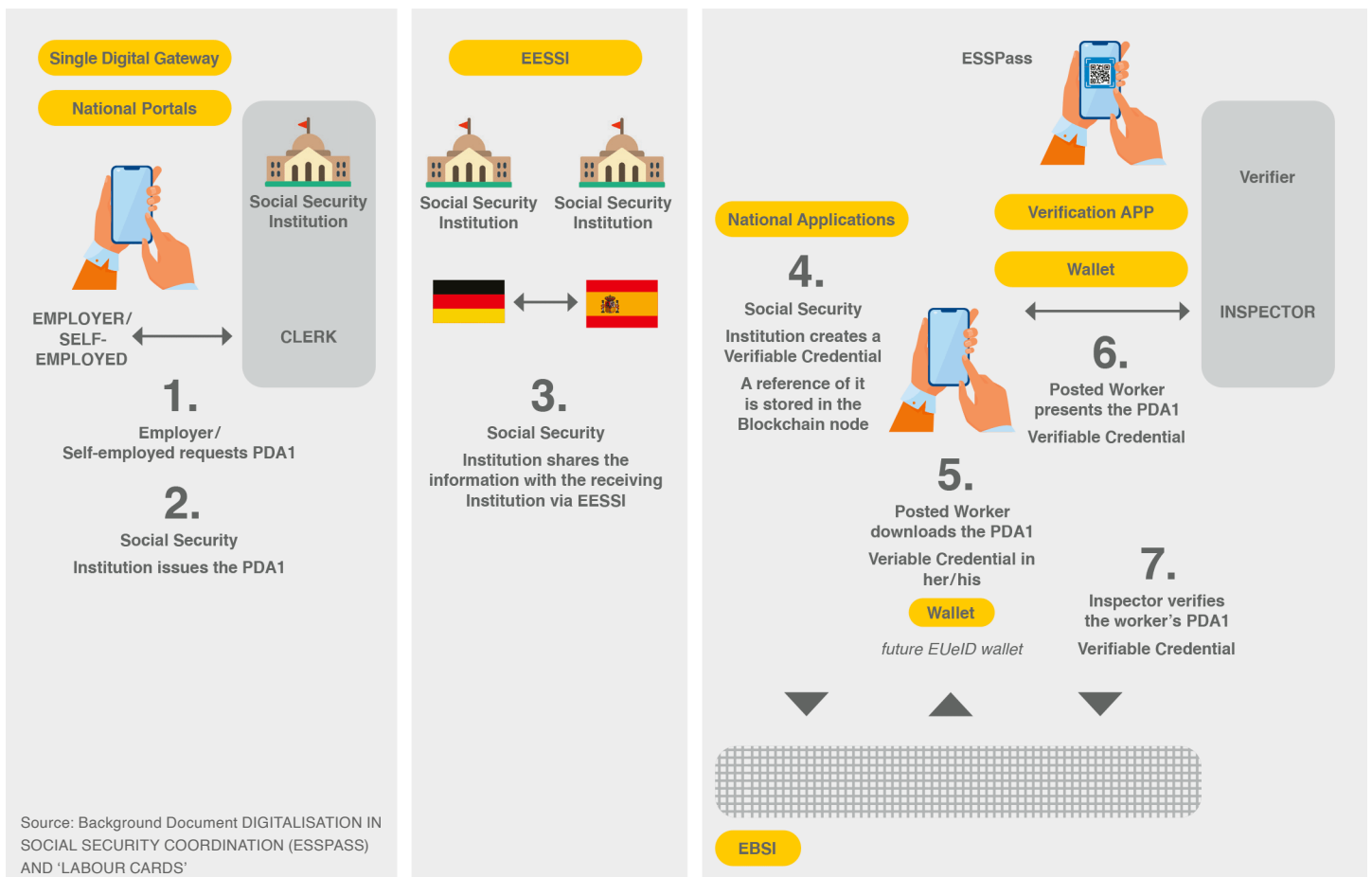
“We want the digital social security pass.”

An initial pilot project by the European Commission and the Italian social security institution Istituto Nazionale della Previdenza Sociale (INPS), in which the Association of German Pension Insurance Funds also participated, had shown: The A1 process can be implemented completely digitally. The digital flow is applied according to the scheme shown below.

Based on these findings, two consortia are currently working on the further development of the “wallet”, each with different questions. In the area of social security, focus is now on preparing for the digital implementation of the A1 procedure and the EHIC. The larger project “Digital Credentials for Europe

(DC4EU)” involves 80 organisations from 20 Member States plus Norway and Ukraine, while “Verifiable Credentials and Trusted Organisations Registries (VECTOR)” involves 50 partners from 20 countries. From the German Social Insurance system, the National Association of Statutory Health Insurance Funds (GKV-Spitzenverband) and the Association of German Pension Insurance Funds are contributing. As a first milestone, business plans are to be developed by the end of the year that map the respective processes from application to verification in each of the other EU countries. This alone is a very complex undertaking given the diversity of the countries with their sometimes very differentiated structures. At the

## Digitisation of social security





same time, the foundations for the second milestone, the “onboarding” of the social security institutions and the authorities and healthcare facilities involved, are to be laid.

### **The future is interoperable**

The two consortia, but also the experience from the EESSI project, confirm that the digital single market can only be created through European cooperation. This is because the devil is in the detail. Given the diversity of European systems, this is no surprise. It is therefore crucial to work well and closely together.

Going it alone nationally and digitally would not get you very far in cross-border business anyway. They make you digitally “speechless”. Therefore, on 18 November 2022, the European Commission presented a proposal for a Regulation on measures for a high level of interoperability of the public sector in the Union. The objective is to create an information system for the public sector, so that Member States can jointly learn from each other according to the principle of “best practice”, and communicate unhindered with each other via compatible network and information systems. Isolated solutions should be prevented.

### **More order in the digital thicket**

Despite good approaches in detail – in the meantime a “digital thicket” has emerged at European level in the digitisation of social security that is difficult to penetrate. Even for insiders, it is not easy to keep an overview here.

The Belgian Deputy Prime Minister and Minister for Health and Social Affairs, Frank Vandenbroucke, also noted a “certain disorder”. Belgium therefore wants to work for clear structures in the area of the digitisation of social security during its Council Presidency. The European Commission published



Gabriele Bischoff, MEP and Vice-President of the Group of the Progressive Alliance of Socialists and Democrats in the European Parliament

“The systems must be able to communicate with each other. This doesn’t require reinventing everything; we can learn from each other. The important thing now is that we finally make the leap into the digital age together and exploit the opportunities that digitization offers us.”



Frank Vandenbroucke, Belgian Deputy Prime Minister and Minister for Social Affairs and Public Health

a communication<sup>5</sup> on 6 September to bring order to the digital information overload. If you want to bring people along and ensure acceptance, order and transparency are also urgently needed. With the A1 certificate and the EHIC, the benefits of digitisation in social security should soon be tangible.

## Go green.

### Social insurance in climate change

The exchange of best practice is also of central importance in jointly facing climate change as a European community. There are no patent

<sup>5</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Affairs Committee and the Committee of the Regions of 6 September 2023 on the Digitisation of Social Security Coordination: Facilitating the free movement of persons in the single market, COM(2023) 501 final

remedies for the right response to climate change and its consequences. Nevertheless, good ideas can be gained from the varied range of approaches in different countries, says Francesca Colombo (OECD).

Basically, there are two parallel challenges: Firstly, the general adaptation of the system to climate change with a view to new health hazards due to heat, radiation, the spread of infectious agents, weather disasters and growing fear. Secondly, the social and health sector makes a significant contribution to the problem itself by releasing greenhouse gases directly and indirectly.

There is also a knowledge problem: The challenges of adapting to climate change and solutions for mitigating emission sources through social and health systems are not yet well understood.

Moreover, climate policy and social policy have so far mainly been researched separately. There are research gaps with regard to the environmental impact of social benefits or the resilience of social security systems to climate change impacts. According to a difis study, the relationship between climate change impacts and occupational safety and health in particular is largely unexplored<sup>6</sup>. Research and knowledge gaps exist on how to adapt appropriately to climate change, the sources of CO<sub>2</sub> emissions, ways to minimise the CO<sub>2</sub> footprint in the social sector, and many instrumental action-effect relationships.

#### Knowledge gaps and data deficits

One of the main problems: There is no systematic and sufficiently targeted data collection of climate-related health and

<sup>6</sup> German Institute for Interdisciplinary Social Policy Research (difis): Climate social policy – A research status report on the link between climate policy and social policy



Dr Doris Pfeiffer, Chairwoman of the National Association of Statutory Health Insurance Funds – GKV-Spitzenverband)

“We generally need have data on where thethe main emissions are coming from in the health sector.”



social impacts and emission sources. In the health sector, for example, there is a lack of data on the carbon footprint of medicinal products or the longevity of medical devices. The situation is similar for occupational health and safety. While there is now a great deal of international research on the extent and health impacts of climate change on workers, there is also a need for more research on the impact of climate change on workers' health. What is missing, however, is data with a specific reference to the work context. This also applies especially to Germany<sup>7</sup>.

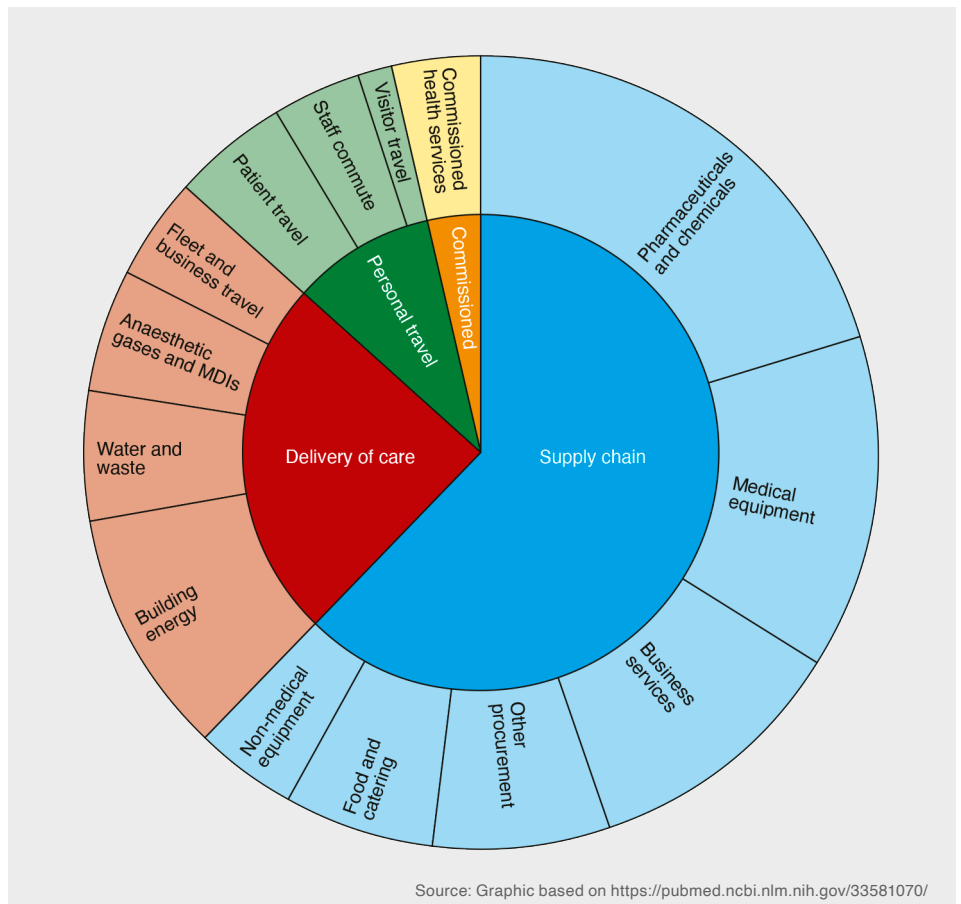
### Best Practice UK

Social and healthcare institutions must also play their part in mitigating the effects of climate change. The National Health Service (NHS) systematically surveys the footprint of the UK health system. For example, its 2019 data shows that 62 per cent of the health system's greenhouse gas emissions were attributable to supply chains, 24 per cent to the delivery of long-term care and 10 per cent to the travel of patients, visitors and staff getting to work and back. According to a report by the global health NGO Health Care Without Harm (HCWH), the German health sector accounts for 5.2 per cent of total CO<sub>2</sub> emissions. In the European Union, the figure is 4.7 per cent. The figures are derived – somewhat abridged – from OECD statistics using the MRIO approach (multi-region input-output modelling)<sup>8</sup>. They underline the high responsibility of the health sector for reducing the carbon footprint, but do not have the necessary depth for deriving practical measures.

<sup>7</sup> See here: Stefanie Bühn, Maike Voss: Climate change and health – Impacts on the world of work, expert opinion for the Federal Ministry of Labour and Social Affairs, February 2023

<sup>8</sup> See also: HCWH climate footprint report: Introduction and study methodology

## Healthcare emissions, NHS England, The Lancet Planetary Health 2021



### Climate change acts like a magnifying glass

The challenges facing social systems are not new. Apart from a few phenomena such as the arrival of tropical pathogens like the Zika or West Nile viruses in Europe, we encounter familiar problems. What changes is the scale. Climate change magnifies the risks as if through a magnifying glass – infectious diseases and allergies, heat and UV radiation, psychological stress. And it exacerbates the structural problems caused by overuse, underuse and misuse in the systems. This applies to unnecessary, resource-intensive treatments in hospitals or prescriptions

### Footprint NHS

The pharmaceutical sector alone contributes significantly to environmental and climate pollution through its chemical-intensive production. About 20 percent of emissions in the healthcare sector are caused by pharmaceutical products.



Francesca Colombo, Head of Division for Health at the Organisation for Economic Cooperation and Development – OECD

**“Three per cent of health expenditure goes into prevention. That is too little. Social systems need to change fundamentally here and provide the necessary investment resources.”**

of medicinal products that are inappropriate for therapy or just as much to the still insufficient investments in prevention. Targeted, evidence-based education, prevention and care services can help to mitigate or avoid the health consequences of climate change. In view of the growing dimension of risks due to climate change, the OECD calls for a fundamental change of direction and more money for prevention.

Investments in prevention pay off. A study by the International Social Security Association (ISSA)<sup>9</sup>, which included data from more than 300 companies in 15 countries, showed that the return on investment of one euro in occupational health and safety is 2.2 euros. But it is not just a question of money. The restructuring of the economy and society, as well as the use of new, “green” technologies, also

creates new challenges for health and safety at work. New fields are opening up in biogas, photovoltaics, wind turbines, electromobility and hydrogen. In the shift to non-fossil raw materials and low-carbon production processes, risks and dangers for many jobs need to be reassessed. More research is needed here to assess the risks and develop effective prevention measures. At this point, the European Commission is also called upon.

On the occasion of the German Social Insurance (DSV) expert conference on 27 June 2023, Frank Siebern-Thomas, responsible for Fair Green and Digital Transition and Research in the Directorate-General for Employment, Social Affairs and Inclusion stood up for the European Commission. With regard to the research funding programme Horizon Europe, he pointed to lively research activities funded through the programme. But research alone is not enough. There is a need for networks and a systematic exchange of best practices. As an example, he highlighted the EU’s mission for climate-neutral and smart cities, which supports one hundred European cities, including nine from Germany, to become climate-neutral by 2030. It is the task of cities to draw up an overall plan for climate neutrality, including corresponding investment plans for sectors such as energy, buildings, waste management, transport and green urban planning. The process involves citizens, research institutions and the private sector. A role model for the health and social care sector? One thing is certain: the transformation towards climate neutrality requires the cooperation of all those involved, a coordinated approach and communication that ensures that people are involved.

<sup>9</sup> ISSA Research Report: Prevention pays off: Costs and benefits of occupational safety and health prevention measures for companies, Geneva 2013

**The gap between socio-economic status and health opportunities must not be allowed to widen further**

The European Commission has set itself the task of driving forward the transformation agenda. The “Green Deal” obliges. What does this mean for the health and social care systems? Now, on the one hand: social aspects are taken into account. For example, the ‘Fit for 55’ package of measures for the green transition commits the EU to ensuring a fair and socially just transition in achieving its climate goals. It must be taken into account that climate change has an unequal impact not only on regions, but also on people: Those on low incomes, those with previous illnesses, the elderly and adolescents are hit harder than others by the consequences of climate change. They cannot afford the higher prices for food and energy as a result of the CO<sub>2</sub> (carbon) pricing, live in cramped or poorly insulated living conditions, have an impaired physical or psychological constitution or are exposed to stressful situations for longer and more frequently – in construction, agriculture, in poorly insulated production halls. The Fit for 55 package also includes, for example, a climate social fund that aims to support particularly vulnerable citizens and microenterprises in investing in energy efficiency measures and clean mobility. As a result, Member States have agreed to make targeted transfer payments to alleviate disproportionate financial burdens on vulnerable groups.

On the other hand, it should not be exclusively about vulnerable groups. The solidarity-based healthcare system and the statutory accident and pension insurance systems bear responsibility for all their insured persons. And here, too, there is a lack of data, for example on long-term exposure to heat at office workplaces or permanent work in protective clothing.



Frank Siebern-Thomas, Head of Division for Fair Green and Digital Transition and Research in the European Commission's Directorate-General for Employment, Social Affairs and Inclusion

**“Climate change brings new inequalities together with existing inequalities. We have a massive social and societal transformation ahead of us. The green deal must also be a social deal.”**

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Dr Edlyn Höller, Deputy Chief Executive of the German Social Accident Insurance

**“Heat is a danger to life. For all. It is a problem at work – outdoors as well as indoors. Occupational safety and health is not possible without climate protection.”**

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## **The digital and green transformation needs communication**

Medical knowledge about the direct effects of climate change on health has now grown. In the world of work, in contrast, the link between climate change impacts and health is not quite as far advanced. Where necessary, it must be reworked in a targeted manner and more knowledge must be generated. This is where the EU should continue to join forces.

The resilience of social schemes relates to shocks. This had been clearly demonstrated by the COVID-19 pandemic and had released forces to stabilise European systems, make them adaptable and prepare them for future health threats within the framework of a European Health Union. Climate change is also such a shock.

However, while social objectives are already taken into account in climate policy, climate policy objectives are still far less anchored in social policy. This must be done, because the risks to health are increasing and care must adapt to changing situations in terms of medicine, nursing, personnel and structure. This is a challenge for all stakeholders. This also applies to the need to reduce one's own CO<sub>2</sub> emissions.

Digitisation will also make its contribution here. However, it is only one tool in the toolbox needed to effectively mitigate climate change impacts and make health and social systems resilient. The digital transformation of societies and social security systems poses its own challenges.

Change can be frightening. This does not only apply to climate change. It applies just as much to the digital transformation. There was unanimous agreement at the German Social Insurance (DSV) conference; people need to be taken along. Communication can help raise awareness of the issue, empower people to act, motivate them to take action and increase acceptance of measures, even if they are sometimes associated with disadvantages for the individual. Communication will play a role in determining how well the transformation processes are managed.

## **Contact**

German Social Insurance European Representation  
50 Rue d'Arlon  
1000 Brussels  
Tel.: +32 (2) 282 05 50  
E-mail: [info@dsv-europa.de](mailto:info@dsv-europa.de)  
[www.dsv-europa.de](http://www.dsv-europa.de)

## **Imprint**

Responsible for the content:  
German Social Insurance  
European Representation on behalf  
of the umbrella organisations of the  
German Social Insurance

Director: Ilka Wölfle, LL.M.

Editor:  
Ilka Wölfle, LL.M.  
Ulrich Mohr  
Markus Bourauel  
Carla Cramer  
Isolde Fastner  
Volker Schmitt

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