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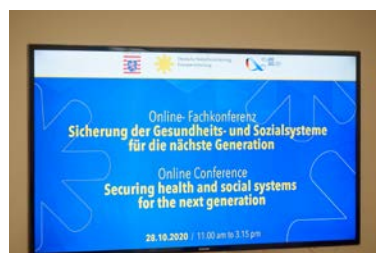


Deutsche Sozialversicherung
Europavertretung

April 2021

Location Europe

Bundling interests, acting together



Dear Readers,

The coronavirus pandemic continues to have a firm grip on our health and social systems and it poses significant challenges for the EU. Smart management, transparency and valid facts can help to overcome the crisis.

The German Council Presidency succeeded very well in balancing different interests in the second half of 2020, according to the general impression in Brussels. During Brexit and in terms of constitutionality, there was no serious conflict and many billions of euros were allocated to fighting the pandemic with agreement from all 27 capitals. That can be seen. The Portuguese Council Presidency now intends to make further progress along this path by summer 2021. Its work programme sets good priorities. In particular, I look forward to further discussions on securing the supply of medicines and improving the capacity to respond to public health crises. Progress could also be made in the social sector. It would be welcome if, at the Social Summit planned for May 2021, Portugal were to give special priority to progressing with workers' social security.

The problems in the social and healthcare sectors seem evident to me. Sustainable financing of both areas and optimum care for the insured will provide the next generation with a much-needed perspective. That is what needs to be addressed.

Exchange of opinions, milieu analysis and togetherness - these are, in my view, three key concepts for achieving this goal. For this reason, German Social Insurance's European representative was invited to an online conference entitled „Securing healthcare and social systems for the next generation“ that was held on October 28, 2020 – which was a hybrid live conference from Brussels and Berlin due to the pandemic.

High-ranking decision-makers from the EU institutions, the Federal Ministry for Labour and Social Affairs, the boards of the umbrella organisations of the German Social Insurance and industry took part in the two panels „Medicines for future generations - more supply reliability through strategic independence?“ and „The pressure on the self-employed during the pandemic: What does social security for the next generation look like?“. They had an interesting and intensive discussion on the current situation in the EU's member states. Learn more about policy objectives, professional assessments, and heartfelt desires in this ed* issue.

We hope you find it an interesting read!



Ilka Wölflé

Europe is networking

The focus of the conference: Securing healthcare and social systems for the next generation

On October 28, 2020, the European representative from German Social Insurance (DSV) organised an online conference on two outstanding topics from the fields of healthcare and social policy. The invitation was accepted by high-ranking representatives from the EU institutions, the Federal Ministry of Labour and Social Affairs, the board of directors of the umbrella organisations of the German Social Insurance as well as industry – and almost 900 guests.

Two top panels discussed the topical issues of **“Medicines and care for the future generation”** and **“Securing the self-employed during the coronavirus pandemic”**.

The conference was held digitally in two locations - the European capital Brussels and the German capital Berlin. The event was moderated by journalist Conny Czymoch.

The Hessian State Secretary for European Affairs, **Mark Weinmeister** welcomed the participants who were connected virtually and formed a wide range: One of the most important issues is to bring younger generations

together with the traditional and proven social security systems and to preserve this successful model for the future.

He stressed the relevance of social insurance in times of crisis and the role it has played since the introduction of statutory health insurance in 1883. Since then, the social insurance institutions have had to constantly respond to changing conditions, including the COVID-19 pandemic. The crisis has highlighted

the social security problems as if they were seen through a magnifying glass.

The issue of medicinal supplies and strategic independence had already been of great importance before the start of the coronavirus pandemic. Finally, the availability of necessary medicines is a common concern for all Europeans. For the State of Hesse, the “pharmacy of the world” with a high industrial density, this also has economic implications.

Event reality in the pandemic: technology instead of audience



Ilka Wölfle, Director of German Social Insurance's European representation



Ilka Wölfle, Director of the European representation, inaugurated the conference from the improvised television studio in the Representation of the State of Hessen to the European Union. Its focus was on the topic of the first panel discussion, "Medicines for future generations": "The pandemic has revealed a number of areas, where Europe needs to become more resilient." And: "however, should we want to produce our medicines only in Europe in the future, we must ask whether this is realistic with international division of labour." Ilka Wölfle particularly emphasised the lack of medical devices and medicines, especially at the beginning of the pandemic, as well as future access to medicines and the avoidance of dependencies in the production of active pharmaceutical ingredients. ✨

"The pandemic has revealed a number of areas, where Europe needs to become more resilient."




Programme

Online Conference for Securing health and social systems for the next generation

The pressure on the self-employed during the pandemic: What does social security for the next generation look like?

invitation

Online Conference
Securing health and social systems for the next generation

28/10/2020
11.00 am to 3.15 pm

The event is part of the associated program of the German Federal Ministry of Labour and Social Affairs within the German EU Council Presidency 2020.

<p>Guiding us through the programme Conny Crymoch, Journalist and moderator</p> <p>11:00 – 11:10 Welcome and Opening Remarks Mark Weinmeister, Secretary of State for European Affairs of the State of Hessen</p> <p>Ilka Wölfle, Director of the European Representation of the German Social Insurance</p> <p>11:10 – 11:15 Keynote Statement Timo Wölken, Member of the European Parliament</p> <p>11:15 – 12:15 Panel Discussion Dr Doris Pfeiffer, Chair of the Board of Directors of the National Association of Statutory Health Insurance Funds (GKV-Spitzenverband)</p> <p>Sylvain Giraud, Head of Unit, DG SANTE, European Commission</p> <p>Timo Wölken, Member of the European Parliament</p> <p>Dr Günther Sidl, Member of the European Parliament</p> <p>Nathalie Moll, Director General of the European Federation of Pharmaceutical Industries and Associations</p>	<p>14:00 – 14:10 Welcome and Opening Remarks Ilka Wölfle, Director of the European Representation of the German Social Insurance</p> <p>Björn Böhning, State Secretary of the German Federal Ministry of Labour and Social Affairs</p> <p>14:10 – 14:15 Keynote Statement Nicolas Schmit, European Commissioner for Jobs and Social Rights, European Commission</p> <p>14:15 – 15:15 Panel Discussion Björn Böhning, State Secretary of the German Federal Ministry of Labour and Social Affairs</p> <p>Gundula Rollbach, President of the German Federal Pension Insurance Association (DRV Bund)</p> <p>Dr Edlyn Höller, Deputy Director General of the German Social Accident Insurance (DGUV)</p> <p>Nicolas Schmit, European Commissioner for Jobs and Social Rights, European Commission</p> <p>Dennis Radtke, Member of the European Parliament</p>
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With the friendly support of the Representation of the State of Hessen to the European Union.



Panel 1: More supply reliability through strategic independence?

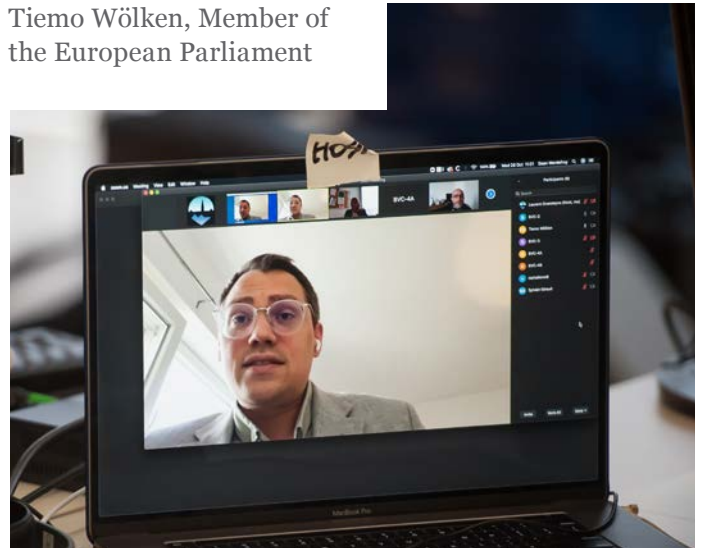
The German SPD MEP **Tiemo Wölken** drew fundamental lines in his keynote speech: “Universal access to quality healthcare at an affordable cost for individuals and society is not only a fundamental need, it is one of the common values and principles in the EU and it is enshrined in the Charter of Basic Human Rights.” This also includes the supply of medicines. The COVID-19 pandemic shows that the EU needs to become more resilient in crisis situations. In particular, at the beginning of the pandemic major efforts were made to ensure coordinated action between member states. Temporary border closures and export bans or national stockpiling of medical supplies – these posed risks to EU-wide access to medicines and medical care.

This situation has highlighted the dependence on functioning supply chains. These extended beyond EU borders. Often, there is dependence on singular production sites in third countries. Wölken critically questioned whether the idea of bringing production back to Europe was a realistic scenario and the solution. Instead, he sees the legislator as having a responsibility to make the EU more attractive as a production location. *

Transparency in supply chains and diversification of production sites for supply reliability of medicines in the EU

Dr Doris Pfeiffer, Chairwoman of the Board of the National Association of Statutory Health Insurance Funds, shared the view that the member states must act with more solidarity in the distribution of medical goods. “Personal protective equipment are not high-tech products. Here, we must achieve adequate production capacities in Europe. A situation, where people around the world buy former penny products from each other at top prices must not be allowed to recur.”

Tiemo Wölken, Member of the European Parliament



“Universal access to quality healthcare at an affordable cost for individuals and society is not only a fundamental need, it is one of the common values and principles in the EU and it is enshrined in the Charter of Basic Human Rights.”

The German healthcare system would also have to adapt to the new framework conditions. It was important that the systems in Europe remained functional and financially viable. This also applies to the supply of medicines. Inequalities in accessing the supply of medicines should be reduced.

Pfeiffer’s main concern was to achieve transparency of the production and supply chains of essential medicines. This is the only way to identify production problems that affect the supply situation in Europe. The diversification of production sites also plays a key role in this respect. *

Dr Doris Pfeiffer, Chairwoman of the Executive Board of the National Association of Statutory Health Insurance Funds



“In Europe, we need more transparency regarding the production and distribution of medicines.”

Solidarity and cooperation to protect public health in the EU

Together, we are strong. This is the EC’s guiding principle during the crisis. **Sylvain Giraud**, Head of the Medical Devices Unit from the Directorate General for Health highlighted: “We need to strengthen the coordination of member states’ authorities in crisis situations. The EC will propose to strengthen the capacities of the ECDC and EMA agencies.” The member states, on the one hand, acted in a fragmented and initially uncoordinated manner due to different national requirements and preconditions. In future, the agreement between member states from Helsinki to Lisbon and the EU’s institutions must play a more important role.

The EC sees three areas for action: Firstly, the European Centre for Disease Prevention and Control (ECDC) and the European Medicines Agency (EMA) should be given central functions and tasks in crisis management.

Legislative proposals were published in autumn 2020. The EC also intends to establish an agency for advanced biomedical research and development, following the example of the US Biomedical Advanced Research and Development Authority (BARDA). The legislative text is expected in 2021.

Secondly, functioning systems with adequate insurance cover provide social security and ensured economic prosperity as well as social cohesion. The prerequisite for this is that the social security systems are resilient in crisis situations such as this.

The third element is availability and supply reliability, as well as ensuring that all EU citizens have access to medicines. Bottlenecks could be of a structural nature, for example based on insufficient national legislation. ✨

Sylvain Giraud, Head of the Medical Devices Unit at the European Commission



“The crisis shows how important health systems, health coverage insurance and social protection are as a basis for economic prosperity and social cohesion.”

Europe as a location - financial viability and attractiveness of the framework conditions

More Europe - this was also the headline of the Austrian SPÖ (Social Democratic Party of Austria) MEP **Dr Günther Sidl's** statement.

The crisis had shown that member states with good healthcare and social welfare systems had so far come through the crisis better. "A stronger preventive approach must be implemented in European legislation." Therefore, now is not the time for discussions about liberalisation and privatisation of healthcare systems.

With regard to the discussion about the attractiveness of locations for manufacturers, not only production conditions but also research and development should be considered. ✨

Dr Günther Sidl, Member of the European Parliament



"A stronger precautionary approach needs to be implemented in European legislation."

Greater transparency of the provision of care will make it possible to gear care and innovation more closely to the actual benefits for patients in Europe

Nathalie Moll, Director of the European Federation of Pharmaceutical Industries and Associations, draws many lessons from the crisis. The main focus of the industry is on preparedness planning for critical medicines. Manufacturers have been busy with this since December 2019 to be able to meet the demand.

She also spoke out in favour of more transparency and information on the existing needs. "Increased capacity to monitor and assess national and regional health needs reinforces European solidarity." Until now, it has often been unclear which medicines can be demanded by member states as well as when, where and in what quantities.

Natalie Moll, Director of the European Federation of Pharmaceutical Industries and Associations



"European solidarity needs reinforced capacity in monitoring and assessing national and regional healthcare needs."

The industry sees key areas of action in the need for more European solidarity and joint capacities to solve cross-border health risks in a cooperative manner. The ecosystem for research and development must also be made sustainable. This cannot be switched on or off at the push of a button. A large proportion of innovative medicines (77 per cent) would continue to be produced in Europe. In any case, the industry is in a position to significantly increase the production of individual medicines in a pandemic situation. *

Panel 2: The pressure on the self-employed during the pandemic: What does social security for the next generation look like?

In her opening remarks for the second panel, Director **Ilka Wölflé** addressed the problems of financing social security systems. These are already under pressure due to the changes in the working world. The situation of the self-employed, in particular, has changed in recent years against the backdrop of digitisation, accompanied by new forms of work via electronic platforms. Their operators would have to be held more accountable. “The crisis continues to impact the self-employed particularly hard.” At EU level, platform operators could be supported through cross-border data exchanging and improved international cooperation between the tax and social authorities.

The panel discussion was initiated by **Dana-Carmen Bachmann**, Head of the Department for Modernising Social Security Systems (Directorate-General for Employment, Social Affairs and Inclusion), on behalf of the EC. Bachmann first followed the discourse of the groups of workers “particularly” affected in the crisis, especially the self-employed, for whom the lack of protection in the event of unemployment, loss of income due to illness and occupational diseases had shown to be particularly severe.

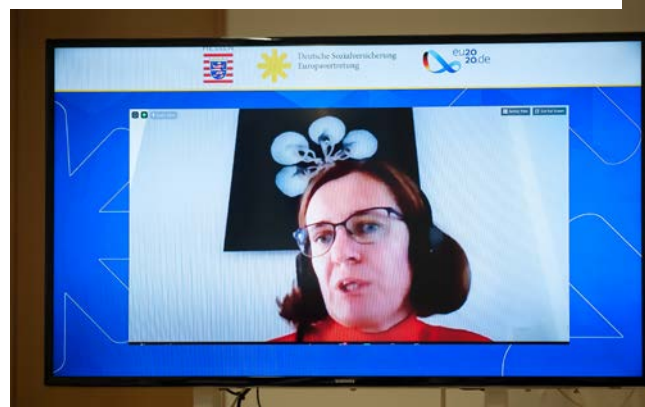
Many member states have helped those affected through “emergency measures”. It would now be necessary to consider whether these instruments could be developed in a “more structured way” in the future.

Access to social protection “for all” will also be part of the Commission’s action plan on the European Pillar of Social Rights. *

Cross-border and pan-sectoral cooperation

The State Secretary at the Federal Ministry for Labour and Social Affairs (BMAS), **Björn Böhning**, opened the panel discussion with the presentation of the motto #mysocialeurope:

Dana-Carmen Bachmann, Head of the Department for Modernisation of Social Security Systems at the European Commission



“Pressure of digitalization changes the world of work.”

Solidarity and strength for the Europe of tomorrow during the German Council Presidency. The COVID-19 pandemic showed the importance of social security. No one should be left behind, he said - "Social protection should apply to everyone."

Platform work is so controversial, among other things, because "traditional" tasks performed by workers could be split into a multitude of individual tasks and then performed in forms of work where worker protection would be lost. One would then be dealing with "dependent self-employed". Under a new guise, old questions of labour and social protection arose: Aren't self-employed people just as in need of protection as employees? With the diversity of platform work, there will not be "one" approach.

Björn Böhning, State Secretary in the Federal Ministry of Labour and Social Affairs



"The triad of economics, democratic foundation and social security makes us resilient in crises."

A competition regime for fair platform economies, in the sense of an EU framework, should ensure common rules for platforms. The aim should be to make platforms that neglect social protection of employees accountable. Therefore, the Federal Ministry for Labour and Social Affairs welcomes the legal act on the subject announced by the EC. It would also make sense to establish reporting systems for income from platform work at European level in order to obtain more information about income generated via platforms. At the national level, Böhning gave especial mention to the plan to implement compulsory old-age provision for all self-employed persons before the end of this legislative period. ✱

Sustainable financing of the systems

The positions of the German Social Insurance were represented on the panel by Gundula Roßbach, President of the German Pension Insurance Fund, and Dr Edlyn Höller, Deputy Director General of the German Social Accident Insurance.

"When is someone an employee or self-employed, when is a platform an employer or an agent?" These are the essential questions in the platform economy.

Roßbach pointed out the importance of compulsory old-age provision for the self-employed. Many solo self-employed persons are exposed to an increased risk of being dependent on basic security benefits in old age. Increasing technologisation and rising employment numbers in the platform economy - with often precarious employment conditions - also promoted this risk.

A study by the International Social Security Association (ISSA) shows that many people are employed in hybrid models: self-employed (platform) work is increasingly being added to the actual job in order to exploit additional earning opportunities or to financially secure the step into new self-employment. As a result, there is a tendency for platform work that replaces the main job, to become full-time at a later date. Therefore, the question "When is someone an employee or self-employed, when is a platform an employer or an agent?" is becoming increasingly relevant with regard to the scope and design of social security.

The distinction between employment and self-employment is a challenge for all status assessment procedures. In this context, it is often a “question of valuation” with regard to the specific form of the employment relationship (work organisation, directive and control functions). Also to be clarified: does the platform only act as an agent (“marketplace function”) or does it fulfil an employer function? Contractual regulations and lived reality often diverged.

Existing data could be used to ensure the complete recording of the contribution obligations of platform employees. For example, sales and employment data could be reported directly by platforms or via financial authorities. However, as national reporting obligations

were difficult to enforce in the case of internationally active platforms, it is important to strive for European solutions – such as a uniform digital reporting system (“single digital window”) – or, in the longterm, international solutions.

Dr Höller explicitly sees a shift from dependent to self-employed work. She explicitly promoted a European social security number. This would be an “important building block for identifying the people, who make their activities available on the platform.” The expert confirmed that, also in view of platform work, the legal framework for social security does not need to be reinvented, but readjusted. Every person has the same need for protection against the risk of an occupational accident or disease. ✨

Gundula Roßbach,
President of the German
Federal Pension Insurance
Association (DRV Bund)



“When is someone an employee, employer or self-employed? These are the essential questions in the platform economy.”

Dr Edlyn Höller, Deputy Director General
of the German Social Accident Insurance



“A European social security number would be an important building block for identifying the people who make their activities available on the platform.”

Europe as a market power vis-à-vis the platforms

Dennis Radtke, a Member of the European Parliament for the German Christian Democratic Union (CDU), made a pointed statement on the topic of market power and platforms. The social expert and coordinator of the EPP Group in the Employment Committee made it clear: “Policymakers should not evaluate whether current developments in the field of platform work are good, but create an appropriate framework.” To adapt to the changed working world, it is not enough to apply the old rules as new ones are needed. They would have to do justice to the heterogeneity of the various forms of platform work. “Not all platform work is the same Deliveroo’s pizza delivery man cannot be equated with an engineer or programmer.”

However, national tasks should not be neglected, such as the expansion of compulsory insurance for the self-employed or the prevention and combating of bogus self-employment.

Finally, the result of a “slido vote” among the participants was presented. It was asked who should bear the costs of extending social security coverage to the self-employed. An overwhelming majority voted that the main financial responsibility should lie with the self-employed people themselves. However, at least one fifth saw the state as being responsible – to be funded from general tax revenues. *

Dennis Radtke, Member of
the European Parliament



“Not all platform work is the same. Deliveroo’s pizza delivery man cannot be equated with an engineer or programmer. The task of politics is to create a legal framework.”

Information and videos of our online conference

The agenda for reference can be found here at https://dsv-europa.de/lib/Veranstaltung/DSVAE_Invitation_Online-Conference-28.10.2020.pdf.

You can get further information on our website at www.dsv-europa.de as well as on our Twitter account under @DSV_EU.



- You can watch the inauguration and Panel 1 from 11.00 a.m. - 12.30 p.m. of the conference online here at <https://www.youtube.com/watch?v=pSHDfCqNxey>
- You can watch the welcome address and Panel 2 of the conference from 2.00 p.m. - 3.15 p.m. online here at <https://www.youtube.com/watch?v=g9qn4MvTCLQ&t=1089s>

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Graphics/layout: Naumilkat – Agentur für Kommunikation und Design

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