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## Digitalization in the EU Social Security Coordination System

### *I. Introduction*

The EU provides common rules for a person's social security rights when moving within Europe (EU 27 + Iceland, Liechtenstein, Norway, Switzerland and under a special agreement with the UK). To facilitate the handling of cases involving social security institutions throughout Europe, the EESSI (Electronic Exchange of Social Security Information) system was established. As of June 2023, this system effectively links approximately 3,400 institutions across 32 participating countries, including the 27 EU Member States, as well as Iceland, Liechtenstein, Norway, Switzerland, and the United Kingdom.<sup>1</sup>

To commence the exploration of a digital solution for enhancing the verification of social security coverage and entitlements across borders, the European Commission initiated a pilot project in March 2021, known as the European Social Security Pass (ESSPASS). The aim of this article is to 1. Analyzing the protection of the social security right for free movers. 2. Analyzing the pros and cons of the digital social security coordination system in the EU.

Following the introduction, the article analyses the concept of Social Security Coordination and the rights of cross-border migrants in the first part, the second part introduces the new electronic system, EESSI and the new pilot project, ESSPASS, examines the pros and cons of the digital social security coordination system,

### *II. The Concept of Social Security Coordination*

The principle of free movement of people within the European internal market grants every citizen the right to travel to another EU Member State for purposes such as work, job search, education, or leisure. However, this freedom faces certain restrictions. In addition to inherent challenges like cultural differences, language barriers, or varying living

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<sup>1</sup> European Commission. „European Commission – Social Security Coordination.” <https://ec.europa.eu/social/main.jsp?catId=1544&langId=en>. (Accessed on 2023.9.29).

standards, individuals may also encounter obstacles arising from differences in national legislation, particularly in the field of social security. The foundational concept of EU social security coordination resides within the framework of international supranational law, a construct moulded by a series of international agreements and treaties. The primary objective of this coordination mechanism is to safeguard the social security entitlements of individuals who, as cross-border migrants, relinquish their original social security protection upon departing from their country of origin.<sup>2</sup>

As there's no EU-wide uniformity in social security regulations. Instead, coordination is achieved through Regulation 883/2004<sup>3</sup> and its implementing Regulation 987/2009.<sup>4</sup> This system operates on principles like exclusivity, aggregation, and export, ensuring that one Member State is responsible for an individual at a time and considers contributions and employment periods from other Member States when calculating benefits. Union citizens residing within the EU can generally access cash benefits from multiple Member States' social security systems.<sup>5</sup>

On a personal scope, nationals of the European Union, the European Economic Area (EEA) or Switzerland, legally residing third-country nationals, stateless persons or refugees, persons who are or have been insured in one of the above countries and their family members can apply the rules on social security coordination.<sup>6</sup>

### 1. The Principles of Social Security Coordination

To safeguard the social security rights of migrant individuals and address the challenges arising from the diversity of national social security systems and territorial limitations, four fundamental coordination principles and one guide principle from the implementation regulation No 987/2009 are employed.

– *1st principle: Equal treatment or non-discrimination.* As a fundamental human right, the European Union's social security regulations prohibit all forms of "traditional" discrimination, including factors such as place of origin, gender, minority status, religion, and more. This principle seeks to prevent any form of differentiation between foreign nationals and a country's own citizens. Such differentiation can take two forms: direct and indirect. Direct discrimination occurs when a national law or regulation explicitly treats citizens and non-citizens differently. For example, if a particular social security scheme

<sup>2</sup> JÓZSEF HAJDÚ – MENGXUAN CHEN: *EU Social Security Coordination of Old-age Pensions*, *Scientific Journal Of Humanities and Social Sciences*, 2022,4(7): pp. 536–546.

<sup>3</sup> Regulation (EC) No. 883/2004 on the coordination of social security systems of 29/4/2004, OJ 2004, L 166/1 ff.

<sup>4</sup> Regulation (EC) No 987/2009 of the European Parliament and of the Council laying down detailed rules for the application of Regulation (EC) No 883/2004 of 16/9/2009, OJ 2009 L 284/1.

<sup>5</sup> KÄRCHER, ANNELIESE – WALSER, MANFRED (2023) : *Social security data for posting of workers: Reform of cross-border coordination of social security*, *Working Paper Forschungsförderung*, No. 293, Hans-Böckler-Stiftung, Düsseldorf.

<sup>6</sup> European Commission. „*European Commission – Social Security Coordination.*” <https://ec.europa.eu/social/main.jsp?catId=849&langId=en> (Accessed on 2023.9.29).

exclusively extends benefits to citizens, this constitutes direct discrimination. Indirect discrimination, on the other hand, involves a national rule or regulation that may appear impartial on the surface but, in reality, disproportionately affects non-citizens compared to citizens. For instance, a requirement stipulating that family benefits are only accessible for children born within the country's borders may seem neutral as it applies to both citizens and foreigners. However, in practice, foreign nationals are more likely to have children born abroad, resulting in a greater adverse impact on non-citizens than citizens, thus constituting indirect discrimination.<sup>7</sup>

– *2nd principle: Determination of the applicable legislation.* It means that a single legislation is applicable to migrant persons in every case. In cross-border situations, it could happen that a migrant person is either simultaneously subject to two legislations, or that s/he is not subject to any legislation at all. This is a consequence of the fact that the national legislators remain competent to determine the conditions under which someone is insured or not.<sup>8</sup> According to Community rules, individuals relocating within the European Union are required to adhere to a unified social security legislation.<sup>9</sup> Specifically, when it comes to those who relocate between Member States for work-related reasons, the standard practice is to apply the social security system defined by the legislation of the Member State where the new employment is located.<sup>10</sup>

– *3rd principle: Aggregation of periods.* The third principle is the preservation of social security rights during acquisition. Many laws require individuals to fulfil specific periods of insurance, employment, or residency to qualify for benefits. This can be challenging for migrant workers because moving between states often means losing credit for periods worked in their previous state. Without aggregation, someone who has worked in multiple states might not meet the qualifying period in any of them, especially concerning pension eligibility. To address this, the Regulation allows for the aggregation of periods, ensuring that institutions consider periods of insurance, work, or residence completed in other Member States as if they had been under their own legislation. This principle helps migrant workers secure benefits, such as old-age pensions, regardless of changes or interruptions in their international career.<sup>11</sup>

– *4th principle: The exportability of benefits.* Numerous national laws stipulate that a prerequisite for receiving benefits is the individual's residency within the boundaries of the respective State, it's obviously not good for the moving workers or migrants. Cash benefits awarded under the legislation of one or more Member States remain unaffected

<sup>7</sup> NICKLES, JASON – HELMUT SIEDL: "Co-ordination of Social Security in the Council of Europe: Short Guide." *Council of Europe eBooks*, 2004, [https://www.coe.int/t/dg3/ssessr/%5CSource%5CSocSec%20coordination%20Short%20Guide\\_English.pdf](https://www.coe.int/t/dg3/ssessr/%5CSource%5CSocSec%20coordination%20Short%20Guide_English.pdf) (Accessed on 2023.9.29).

<sup>8</sup> JÓZSEF HAJDÚ – MENGXUAN CHEN: *EU Social Security Coordination of Old-age Pensions*, *Scientific Journal Of Humanities and Social Sciences*, 2022,4(7): pp. 536–546.

<sup>9</sup> Article 11 (1) of Regulation 883/2004.

<sup>10</sup> ECAS IssueLab, „*Practical Guide on the Applicable Legislation in the EU, EEA, and in Switzerland.*” <https://ecas.issuelab.org/resource/practical-guide-on-the-applicable-legislation-in-the-eu-eea-and-in-switzerland.html>. (Accessed on 2023.9.29).

<sup>11</sup> JÓZSEF HAJDÚ – MENGXUAN CHEN: *EU Social Security Coordination of Old-age Pensions*, *Scientific Journal Of Humanities and Social Sciences*, 2022,4(7): pp. 536–546.

by any reductions, alterations, additions, suspensions, withdrawals, or eliminations based on the recipient's or their family members' residence in a Member State different from the one where the institution responsible for providing the benefits is located. In general, if you are eligible for a cash benefit in one country, you can typically receive it even if you reside in another country. This concept is referred to as the "principle of exportability," which allows the transfer of benefit entitlement to another State. However, unless explicitly stated otherwise, the coordinating rules do not grant or maintain entitlement to multiple benefits of the same type for the same period of mandatory insurance.<sup>12</sup>

– *5th principle:* Good cooperation among social security institutions. The Coordination Regulations, in place for sixty years, have successfully met the objectives of TFEU (Art. 48). Despite occasional attempts to abuse and circumvent European regulations, ongoing cooperation between Member States, their authorities, institutions, and the European Commission has been crucial. The principle of loyal cooperation is evident, especially among social security institutions. This cooperation is reinforced by various Coordination Regulations, such as Article 76 of Regulation No 883/2004, which encourages Member States' authorities and institutions to assist each other and act as if applying their own legislation, generally without charge. The concept of "good administration" ensures timely responses and the sharing of necessary information to assert rights granted by the Coordination Regulation, strengthening the principle of loyal cooperation.<sup>13</sup>

The modernised coordination system introduced the principle of good administration, whereby Member State institutions are obliged to cooperate with one another and to provide mutual assistance. It provided for an electronic data exchange system between national institutions and the electronic exchange of social security information (EESSI) system. Implementation regulation No 987/2009 highlights the significance of robust collaboration among social security institutions, particularly evident in the operation of the EESSI system which now connects social security institutions in the 27 EU Member States plus Iceland, Liechtenstein, Norway, Switzerland and the United Kingdom.<sup>14</sup> This cooperative spirit serves as the fifth guiding principle for the Social Security Coordination system, symbolizing its embrace of digitalization.

### *III. The Digital Social Security Coordination System*

The exchange of social security data cross-border is a complex system with various functions beyond just sharing information on insurance relationships and benefit claims. It plays a crucial role in both the functioning of the Internal Market and combating undeclared work. When this data exchange doesn't work smoothly, it leads to complaints from

<sup>12</sup> Ministry of Labor, Social Affairs and Family of the Slovak Republic. „*Coordination of Social Security Systems*.“ [www.mpsvr.sk/en/coordination-social-security-systems/](http://www.mpsvr.sk/en/coordination-social-security-systems/). (Accessed on 2023.9.29).

<sup>13</sup> MARC MORSA, 2019, *The European Regulations on Social Security Coordination from the Perspective of the Belgian Authority*, <https://socialsecurity.belgium.be/sites/default/files/content/docs/fr/publications/rbss/2019/rbss-2019-1-european-regulations-on-social-security-coordination-belgian-authority-fr.pdf> (Accessed on 2023.9.29).

<sup>14</sup> European Parliament. 04-2023. *Social Security Cover in Other EU Member States*. <https://www.europarl.europa.eu/factsheets/en/sheet/55/social-security-cover-in-other-eu-member-states> (Accessed on 2023.9.29).

companies about excessive bureaucracy and authorities dealing with insufficient or unreliable information.<sup>15</sup>

To address these issues, several European-level projects aim to improve this system, including the Single Digital Gateway (SDG)<sup>16</sup>, European Social Security Pass (ESSPASS)<sup>17</sup>, and Electronic Exchange of Social Security Information (EESSI), this article will focus on the EESSI and ESSPASS, and for ESSPASS, the main focus will be on the Portable Document A1 (PD A1) certificate<sup>18</sup>, which holds particular significance for this matter. To demonstrate affiliation with their home country's social security system during cross-border work, workers and self-employed individuals generally need to apply for and obtain a PD A1 in advance, as outlined in Article 19, paragraph 2 of Regulation 987/2009. According to Article 15, paragraph 1, and Article 19, paragraph 2 of the same regulation, the responsibility for issuing this document lies with the social security authority of the home country.<sup>19</sup>

### 1. Electronic Exchange of Social Security Information (EESSI)

EESSI is a decentralised IT system that helps social security institutions across the EU<sup>20</sup> exchange information related to the different branches mentioned above more rapidly and securely, as required by the EU rules on social security coordination.<sup>21</sup>

The initial deadline for implementing the EESSI network in 2012 was unrealistic,<sup>22</sup> leading to the abandonment of the first project and the launch of a new one. Currently, significant progress has been made in completing EESSI, which facilitates the exchange

<sup>15</sup> KÄRCHER, ANNELIESE – WALSER, MANFRED (2023) : *Social security data for posting of workers: Reform of cross-border coordination of social security*, Working Paper Forschungsförderung, No. 293, Hans-Böckler-Stiftung, Düsseldorf.

<sup>16</sup> The single digital gateway simplifies online access for EU citizens and businesses seeking information, administrative procedures, and assistance services in another EU country. Users can access the gateway through a search feature integrated into the Your Europe portal, which has been serving as a resource for EU and national information regarding citizen and business rights since 2006, while also providing access to support services.

<sup>17</sup> The European Social Security Pass, introduced in the European Pillar of Social Rights Action Plan in March 2021, enhances the transferability of social security benefits across borders. It achieves this by digitally verifying citizens' social security coverage and entitlements through direct interactions between individuals and relevant institutions within EU Member States.

<sup>18</sup> Portable documents have replaced the previous E-forms and are now issued by the relevant social security institutions responsible for your coverage. These documents are personalized for each individual, potentially including family members, and include personal identifiers such as your name. The issuing social security office ensures that each document is appropriately signed and stamped.

<sup>19</sup> KÄRCHER, ANNELIESE – WALSER, MANFRED (2023) : *Social security data for posting of workers: Reform of cross-border coordination of social security*, Working Paper Forschungsförderung, No. 293, Hans-Böckler-Stiftung, Düsseldorf.

<sup>20</sup> Precisely, social security institutions across the EU plus Iceland, Liechtenstein, Norway, Switzerland and the United Kingdom are able to exchange information digitally through EESSI.

<sup>21</sup> European Commission. „*Social Security Coordination*.” European Commission, <http://ec.europa.eu/social/main.jsp?catId=1544&langId=en>. (Accessed on 2023.9.29).

<sup>22</sup> The initial deadline for implementing this network was May 1, 2012, which was set two years after the introduction of the new European regulations. However, it became evident that meeting this deadline was impractical.

of electronic forms (SEDs)<sup>23</sup> instead of paper forms among institutions. In the realm of family benefits, 15 distinct SEDs are categorized into four scenarios (BUCs). After a testing phase, the European Commission declared EESSI operationally sound in June 2017, with a go-live date set for July 2, 2019. Due to workload challenges, some Member States experienced delays, leading to an extended transition period. However, most Member States are gradually integrating into the system.<sup>24</sup>

Citizens can benefit from this electronic exchange of information, which has replaced the cumbersome and error-prone paper-based processes of the past. With EESSI in place, the potential for data or document loss has been significantly reduced. Furthermore, to enhance the direct digital interaction between EU citizens and institutions in an EU member country, a complementary solution known as the European Social Security Pass (ESSPASS) has been piloted. In 2022, this initiative yielded its initial results, further improving the efficiency and convenience of social security interactions for individuals within the EU.<sup>25</sup>

## 2. *The Pros and Cons of EESSI*

### 2. 1. Pros of EESSI

1. Increased efficiency: The EESSI system makes it possible to strengthen and speed up the exchange of information between social security institutions, thus allowing for the rapid processing of cases relating to all aspects of social security, including unemployment, family, old-age pensions, sickness benefits and accidents at work. The benefits for mobile citizens are significant. This efficiency also extends to the calculation and payment of benefits, ultimately enhancing the protection of citizens' social security rights when crossing national borders.<sup>26</sup>

2. Improved accuracy: The EESSI also facilitates more accurate data exchange between national authorities. The social security authorities of the EU Member States use standardised electronic documents translated into their respective languages, thus improving multilingual communication. By introducing standardised electronic procedures, EESSI ensures the correct application of social security coordination rules and further improves the accuracy of data exchange.<sup>27</sup>

<sup>23</sup> Structured Electronic Documents (SEDs) will be utilized via electronic procedures (Business Use Cases) for more efficient communication. Paper SEDs can still be used during a two-year transition period to full electronic exchange.

<sup>24</sup> ORINT. „Ongoing Missions.” ORINT, <https://www.orient.be/en/missions-2/ongoing-missions/411-2/>. (Accessed on 2023.9.29).

<sup>25</sup> *Social Security Coordination Digital Information Exchange System* <https://ec.europa.eu/social/BlobServlet?docId=17938&langId=en> (Accessed on 2023.9.29)

<sup>26</sup> European Commission. „European Commission - Social Security Coordination.” <https://ec.europa.eu/social/main.jsp?catId=1544&langId=en>. (Accessed on 2023.9.29).

<sup>27</sup> *Social Security Coordination Digital Information Exchange System* <https://ec.europa.eu/social/BlobServlet?docId=17938&langId=en> (Accessed on 2023.9.29).

3. Fraud prevention: The system also combats fraud by implementing safeguards to verify the accuracy and integrity of the data exchanged. This proactive approach helps the agency to detect and prevent fraudulent activities and errors.<sup>28</sup>

4. Facilitating communications: EESSI also facilitates the collection of statistical data related to the exchange of information between social security institutions, which not only supports the verification of the rights of mobile citizens but also provides valuable insights for social security coordination.<sup>29</sup>

5. Saving resources: EESSI is a paperless working system that reduces the use of paper documents and the waste of resources.

## 2. 2. Cons of EESSI

Firstly, there is the issue of data security, and although EESSI claims that only the agencies in EESSI countries that deal with citizens' cases have access to their data, the phenomenon of information leakage and trade is not new in modern society, and cross-border information exchanges, which involve different countries and agencies, also increase the risk of information leakage.

Secondly, it is questionable whether the EESSI digital information exchange system has really improved efficiency; although it has reduced the use of documents and improved the efficiency of the exchange of information itself, the backlog of information in the back end and the tens of thousands of applications foreseen after the launch of the digital system may lead to an increase in the number of documents and information handled by staff, and the existence of bureaucracy also puts into question the claimed improvements in efficiency made by EESSI.

## 3. The European Social Security Pass (ESSPASS)

The EESSI IT system aimed to replace traditional paper-based processes, allowing for quicker and more secure information sharing. EESSI primarily served social security institutions and did not provide real-time data access. To enhance this framework, the ESSPASS pilot program seeks to facilitate interactions between mobile citizens and relevant public authorities involved in social security matters, such as labour inspectors and healthcare providers. It aims to enable real-time verification of social security coverage and entitlements, even for those entities lacking access to the EESSI system.<sup>30</sup>

Citizens moving across EU borders encounter several challenges regarding their social security coverage. These include the need for physical evidence, a lack of data interoperability, difficulties with identification and verification as well and loads of paper

<sup>28</sup> European Commission. „European Commission – Social Security Coordination.” <https://ec.europa.eu/social/main.jsp?catId=1544&langId=en>. (Accessed on 2023.9.29).

<sup>29</sup> Social Security Coordination Digital Information Exchange System <https://ec.europa.eu/social/BlobServlet?docId=17938&langId=en> (Accessed on 2023.9.29).

<sup>30</sup> European Commission, October 2022, *European Social Security Pass overview & main concepts*, <https://dds.cepal.org/redesoc/portal/publicaciones/ficha/?id=5720> (Accessed on 2023.9.29).

waste. These issues result in obstacles for citizens and complicate enforcement efforts, hindering the smooth exercise of social security rights.

The ESSPASS initiative aligns with the EU's Single Digital Gateway (SDG), aiming to enable EU citizens to access and complete 21 key administrative procedures online by the end of 2023. Among these procedures are three critical ones related to social security coordination. ESSPASS focuses on digitalizing portable documents and facilitating real-time verification, eliminating the need for the document issuer's involvement. This allows citizens to carry their documents digitally, proving their identity and sharing necessary information instantly with verifiers, such as labour inspectors or medical services. Integration with the European Digital Identity<sup>31</sup> Framework streamlines cross-border identification and authentication processes, enhancing administrative efficiency.<sup>32</sup> However, The eIDAS Regulation (Regulation 910/2014)<sup>33</sup> does not establish a legal framework for the introduction of a universally recognized European digital identity accepted by both public and private entities across Europe. Consequently, the European Commission proposed an amendment to Regulation 910/2014 in June 2021 to address this gap. However, this proposed amendment has not yet been approved or adopted.<sup>34</sup>

The European Commission and INPS (Istituto Nazionale della Previdenza Sociale)<sup>35</sup> have initiated the initial phase of the European Social Security Pass pilot program. This first phase aims to assess the cross-border digital verification of the validity and authenticity of the Portable Document (PD) A1. The PD A1 is essential for indicating the applicable social security legislation when an individual temporarily works in a Member State other than their home country where they are insured.<sup>36</sup>

The diagram below provides a simplified view of the solution and its links to other EU digital initiatives like EESSI, national applications, and the app for PDA1 validation. In the pilot phase, blockchain technology is used.

Digitalising the processes for the request and issuance of portable documents: The sending Member State's employer can request the verifiable attestation (PDA1) from the National Social Security Institution for their employee. Self-employed individuals, on the other hand, can directly request the attestation from the Institution themselves. And then

<sup>31</sup> The European Digital Identity is accessible to EU citizens, residents, and businesses seeking to confirm personal information or establish their identity. It serves for various public and private services, both online and offline, throughout the EU. Every individual who is an EU citizen or resident within the Union will have access to their own personal digital wallet.

<sup>32</sup> European Commission, 28.07.2022, *The European Social Security Pass exploring a new digital tool to help mobile citizens exercise their social security rights*, <https://ec.europa.eu/social/main.jsp?langId=en&catId=849&newsId=10341&furtherNews=yes> (Accessed on 2023.9.29).

<sup>33</sup> Regulation (EU) No 910/2014 of 23/7/2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC, OJ 2014, L 257/73.

<sup>34</sup> KÄRCHER, ANNELIESE – WALSER, MANFRED (2023) : *Social security data for posting of workers: Reform of cross-border coordination of social security*, Working Paper Forschungsförderung, No. 293, Hans-Böckler-Stiftung, Düsseldorf.

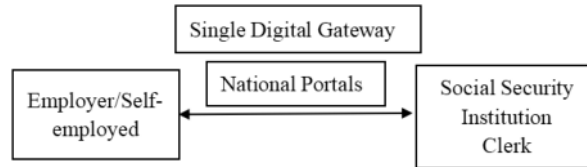
<sup>35</sup> Italy, with INPS, plays the role of PD A1 Issuer and other countries are actively involved in the development and testing of an application for labour inspectors to verify the PD A1 electronically.

<sup>36</sup> European Commission, October 2022, *European Social Security Pass overview & main concepts*, <https://dds.cepal.org/redesoc/portal/publicaciones/ficha/?id=5720> (Accessed on 2023.9.29).



the National Social Security Institution successfully verifies the request for the verifiable attestation and provides it to the posted worker (Step1).<sup>37</sup>

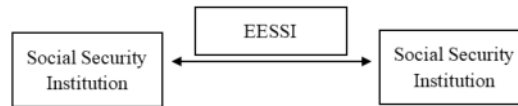
### Step 1



Source: Author depicts.

### Step 2

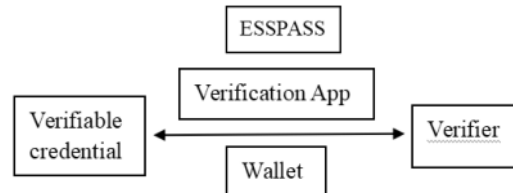
*Social Security Institution shares the information with the receiving Institution via EESSI*



Source: Author depicts.

The posted worker stores the verifiable attestation duly signed by a Trusted Issuer in a digital wallet, together with his/her identity. When the verifier or inspector requests the posted worker to present their verifiable attestation subsequently conducts real-time validation by verifying the attestation and signatures of all parties involved (Step 3).<sup>38</sup>

### Step 3



Source: Author depicts.

<sup>37</sup> European Commission, 1 March 2023, *Digitalisation in social security coordination (ESSPASS) and 'Labour Cards'* <https://ec.europa.eu/social/main.jsp?langId=en&catId=88&eventsId=2065&furtherEvents=yes> (Accessed on 2023.9.29).

<sup>38</sup> European Commission, October 2022, *European Social Security Pass overview & main concepts*, <https://dds.cepai.org/redesoc/portal/publicaciones/ficha/?id=5720> (Accessed on 2023.9.29).

The ESSPASS pilot activities, initiated in 2021 with the Italian Istituto Nazionale della Previdenza Sociale and involving 13 other countries, primarily focused on procedures for the portable document A1. In the subsequent period from 2023 to 2025, two consortia of EU countries' institutions, namely Digital Credentials for Europe (C4EU) and Vector, will undertake pilot projects to issue and verify the A1 certificate and the European Health Insurance Card, with financial support from the Commission. Beyond 2025, the Commission will evaluate the pilot project outcomes to determine the future steps, including the potential deployment of ESSPASS across Europe and the necessity of a new legislative framework.<sup>39</sup>

#### 4. Pros and Cons of ESSPASS

##### 4. 1. Pros of ESSPASS

1. Improved security: ESSPASS addresses a key challenge in the digitisation of portable documents, highlighting the need for trusted digital authentication. Verifiable credentials can be validated without the involvement of the issuer. When requested by the validator, the holder can generate and immediately share a verifiable presentation, thereby building trust in the information shared in face-to-face or online interactions. This trust includes the reliability of the issuer, the integrity of the credential, and the correspondence between the credential and its presenter.<sup>40</sup>

2. Improved authenticity: ESSPASS also introduces interoperable authentication tools that can be relied upon by agencies and authorities in other Member States. These tools enhance civil identification and can verify the authenticity, integrity and validity of portable documents. Importantly, the ESSPASS verification tools complement existing systems in the Member States and help labour inspectors verify the integrity of the portable document A1.<sup>41</sup>

3. Increased convenience: ESSPASS is a citizen-centric solution, whereby citizens/workers have the option of downloading the electronic document and saving it in their email address.<sup>42</sup>

4. Increasing the accuracy: ESSPASS provides organisations with the opportunity to carry out additional checks during the certificate issuance process, such as enhanced assessment of conditions of issue. These additional checks help to prevent fraud and reduce errors, providing organisations with a stronger validation framework.

<sup>39</sup> European Commission - European Social Security Pass (ESSPASS) <https://ec.europa.eu/social/main.jsp?catId=1545&langId=en> (Accessed on 2023.9.29).

<sup>40</sup> German Social Insurance European Representation Digitising social security, December 2021, *Digitising social security Necessary evil or overdue blessing?* [https://dsv-europa.de/lib/03\\_Themenletter/ED\\_0321/Themenletter\\_ed\\_0321\\_EN\\_ba.pdf](https://dsv-europa.de/lib/03_Themenletter/ED_0321/Themenletter_ed_0321_EN_ba.pdf) (Accessed on 2023.9.29).

<sup>41</sup> European Commission, October 2022, *European Social Security Pass overview & main concepts*, <https://dds.cepal.org/redesoc/portal/publicaciones/ficha/?id=5720> (Accessed on 2023.9.29).

<sup>42</sup> European Commission: *European Social Security Pass (ESSPASS)*. Currently, 12 member states' institutions are piloting (ESSPASS). <https://kpmg.com/xx/en/home/insights/2023/09/flash-alert-2023-174.html> (Accessed on 2023.9.29).

#### 4. 2. Cons of ESSPASS

The ESSPASS project faces challenges linked to the EU-ID and ID-wallet implementation, which are vital for its success. It's uncertain when these prerequisites will be realized. Currently, only 60% of EU citizens can access cross-border electronic identification introduced in 2014. Members of the European Parliament from the Employment and Social Affairs Committee share concerns about timing and call on the European Commission to be more ambitious, aiming to present an ESSPASS legislative proposal by the end of 2022. Meanwhile, Data protection also is an issue, with worries about GDPR compliance if blockchain technology is used. It may not be suitable for all EU-ID applications, necessitating additional safeguards. Also, the ESSPASS project is still in its early stages, and its outcome depends on active participation from member states beyond Italy in testing, understanding national differences, assessing capacities, and addressing barriers.<sup>43</sup>

#### IV. Conclusion

Social security coordination within the European Union is of paramount importance as it ensures the protection of individuals' social security rights when moving across borders. It creates a unified framework that upholds principles of equal treatment, regardless of nationality, and determines the applicable legislation for individuals in cross-border situations. This coordination also enables the aggregation of periods worked in different Member States, preserving social security rights during acquisition and allowing for the exportability of benefits. In essence, it fosters the free movement of people within the EU by mitigating challenges arising from varying national social security systems, ensuring fairness, and safeguarding individuals' entitlements, which is especially crucial for cross-border migrants, stateless persons, and refugees.

The transition to a digital social security system, represented by the EESSI and ESSPASS schemes, marks a major leap forward in streamlining and modernising the management of social security information across the EU. These advances offer several key advantages, including more efficient information exchange, improved accuracy, fraud prevention, data collection, resource savings, enhanced security, authenticity and convenience for citizens. However, there are also clear challenges and potential drawbacks, such as concerns about data security and privacy in the digital realm, uncertainty related to the implementation of the EU Identity and Identity Wallet, potential bureaucracy, and questions about whether the claimed efficiency gains have been fully realised. And because the digital social security system is in its infancy and is itself limited in the number of countries involved, not to mention the fact that it does not benefit third-country nationals, stateless persons and refugees, while the effectiveness and applicability of the digital social security system will take time to be proven.

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<sup>43</sup> German Social Insurance European Representation Digitising social security, December 2021, *Digitising social security Necessary evil or overdue blessing?* [https://dsv-europa.de/lib/03\\_Themenletter/ED\\_0321/Themenletter\\_ed\\_0321\\_EN\\_ba.pdf](https://dsv-europa.de/lib/03_Themenletter/ED_0321/Themenletter_ed_0321_EN_ba.pdf) (Accessed on 2023.9.29).

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DIGITALIZÁCIÓ MEGVALÓSULÁSA AZ EU SZOCIÁLIS  
BIZTONSÁGI KOORDINÁCIÓS RENDSZERÉBEN

(Summary)

Az EU-n belüli szabad mozgás lehetővé teszi a migránsok számára, hogy bármilyen okból más tagállamokba költözzenek és megőrizzék társadalombiztosítási jogait.

Az EU közelmúltbeli szociális biztonsági koordinációs rendeletei, amelyeket az EU működéséről szóló szerződés (EUMSZ), különösen annak 48. cikke, valamint a 883/2004/EK és a 987/2009/EK rendelet tartalmaz, egyenlő bánásmódot biztosítanak az EU-n és az Európai Gazdasági Térségen (EGT) belül mozgó munkavállalók és személyek számára. Az 1231/2010 rendelet kiterjeszti a szociális biztonsági koordináció hatályát a jogszerűen tartózkodó harmadik országbeli állampolgárokra és családtagjaikra a határokon átnyúló helyzetekben.

A koordinációs rendeletek előírják a szükséges adatok cseréjét az egyes tagállamok végrehajtó szervei között. E célból létrehozták a szociális biztonsági információk továbbításának elektronikus rendszerét (EESSI). Ennek a rendeltetése, hogy kapcsolatot teremtsen az egyes ügyben érintett nemzeti társadalombiztosítási intézmények és egészségbiztosítási pénztárak között, segítve a migráns polgárok igényeinek érvényesítését.

Az EESSI rendszer működésével a tagállami intézmények közötti, a társadalombiztosítási igényérvényesítéssel és dokumentumok cseréjével kapcsolatos minden adatforgalomnak az EESSI-n keresztül kell történnie. Ennek keretében a tagállami társadalombiztosítási intézmények strukturált elektronikus dokumentumokat (SED) cserélnek, és ezek feldolgozásához közösen elfogadott eljárásokat követnek.

2021. márciusában az Európai Bizottság egy kísérleti projektet indított a társadalombiztosítási fedezet és jogosultságok határokon átnyúló ellenőrzését megkönnyítő digitális megoldás megvalósíthatóságára. Ez volt az európai szociális biztonsági igazolvány (ESSPASS).

E cikk célja, hogy 1. A szabadon mozgó személyek – a szociális biztonsági koordináció keretében megvalósuló - jogvédelmének elemzése. 2. A digitális szociális biztonsági koordinációs rendszer előnyeinek és hátrányainak sz elemzése az EU-ban.