

FINANCE: CBBA-Europe – new voice in favour of cross-border social benefits

Brussels, 15/11/2017 (Agence Europe) – A new European association, the Cross-Border Benefits Alliance Europe (CBBA-Europe), which intends to fight to remove the obstacles to the creation of cross-border social protection regimes for employees, was set up in Brussels this summer. Its Secretary General, Francesco Briganti, told EUROPE on Wednesday 15 October about the aims of the association and its vision of a pan-European framework for social benefits in the EU.

Although the organisation is very much in its infancy, it already has ambitious objectives. *“CBBA-Europe will advocate the EU and its member states to remove such obstacles, being them of legal, taxing, administrative or political nature”*, its website reads.

Economies of scale, simplified administration, full portability of social benefits and consistent taxation formulas are the benefits that could arise from cross-border structures and a truly pan-European framework, Briganti argues.

In terms of mobility as well, there would be numerous benefits. Today for instance, an employee of Volkswagen France who is transferred by his company to Germany would have to leave the 'VW France' social protection scheme and join the 'VW Germany' one. This has a high cost to the employer, who has to create a different regime for every country, but also penalises the social rights of the worker accumulated throughout his or her career with the same company. *“This fragmentation costs everybody dearly”*, the CBBA-Europe Secretary General concluded.

“It will be fantastic to imagine the EU as a big, open economic and social corridor where companies and workers can freely operate across the borders without any obstacles”, Briganti stressed.

This vision may seem utopian, given the lack of current enthusiasm within the EU for it. National operators actually seem to prefer fragmentation and the status quo in order to remain in a 'comfort zone' situation of limited competition, he explained.

However, the European Commission's recent proposal to set up a controlled quality label of individual pan-European pension products (PEPP), which could be transferred between member states without changing supplier (*see [EUROPE 11819](#)*), has reopened the debate.

CBBA-Europe believe this is a good starting point and the organisation plans to actively support this initiative. However, it hopes to go even further, extending this model to private social benefit schemes other than just pensions, such as healthcare or the unemployment regimes offered by businesses or sectors.

No harmonisation in levels of social benefits

The aim is not to harmonise the level of social benefits in Europe, Briganti stressed, adding that difference in pay and social security systems are still too great between member states. Rather, the aim is to create a pan-European framework that would leave margin for adjustments, depending on different national situations.

Briganti considers that this system should even include the United Kingdom. CBBA-Europe also says that it is prepared to support British pension or insurance providers that would be interested in setting these solutions in place before the Brexit deal is finalised.

Briganti feels that it is above all the cross-cutting nature of his organisation that sets it apart. Unlike traditional federations representing a given sector, CBBA-Europe will have a wide range of different members, such as employer and worker representatives from many different sectors, insurance providers, lawyers and consultants, representatives of academia and consumer organisations.

“Everybody who pursues the same objective of promoting the removal of existing obstacles to cross-border social benefits to the EU and its member states (...) will be more than welcome”, he said, adding: “the more members that join, the more influential our voice will be towards the EU”.

The Alliance will officially be launched in Brussels on 6 December. Its inaugural conference, to be attended, amongst others, by the chair of the European Insurance and Occupational Pensions Authority (EIOPA), Gabriel Bernadino, will bring together many professionals from the social protection industry. (*Original version in French by Marion Fontana*)