

INTERVIEW

CBBA-Europe: Fighting for fairness



One year on since the launch of the Cross Border Benefits Alliance-Europe (CBBA-Europe), we meet Dr. Francesco Briganti, secretary general of the alliance, to hear how the association is making waves in the cross-border space

WRITTEN BY FRANCESCA FABRIZI



What are the objectives of CBBA-Europe and have these objectives changed since the launch of the association a year ago?

The objective of the association is to advocate the EU decision makers and all the relevant stakeholders to create easier and innovative solutions for employee benefits plans (pensions, healthcare, disability, etc) at a cross-border/pan-European level. In other words, the alliance aims to overcome the current fragmentation of the national social systems with reference to private workplace and individual social protection. The objectives have not changed; on the contrary, the more we encounter senseless and burdensome barriers and obstacles to such solutions promoted by employers or providers, the more we feel determined to fight for simplicity and better integration.

What has the association achieved since launch?

Since its launch last December, the association has grown considerably, now boasting 20 members from

across the globe. Moreover, in accordance with the ambitions of the association, the alliance is truly transversal, in that it is bringing together very different categories of members, from the big multinationals and their associations to providers such as insurance companies, asset managers, pension funds, associations of consumers and also a trade union that recently joined.

The association's geographical scope also goes beyond Europe, as it involves a number of US organisations and it is also on the cusp of welcoming additional organisations from other continents which have operations in Europe. Of course, such growth is making the alliance stronger, more visible and more influential.

Thanks to its growing visibility, I'm proud to state that following the last creation of the Occupational Pensions Stakeholder Group (OPSG) of the European Insurance and Occupational Pensions Authority (EIOPA), three people affiliated to CBBA-Europe are now part of EIOPA; an impressive achievement

for such a young alliance in such a short period of time, particularly considering the fact that that overall the group is made up of 30 people from all over Europe.

Of course, such an achievement also represents an important endorsement from the EU to our campaigns.

Finally, CBBA has also created a scientific council, made up of some of the main academic representatives of our sector, which already has 20 members from the most prestigious universities in Europe and further afield. For example, CBBA organised a joint event in Paris in October in association with the Sorbonne University, of which Francis Kessler, member of our scientific council, is a professor.

What have been the challenges you have faced/are facing?

The challenges of CBBA are mainly represented by those stakeholders who oppose cross-border or pan-European solutions in the social field. However, it goes without saying that those opponents are

natural and we have always been aware that they would not back our positions. After all, CBBA-Europe was in fact created in order to counterbalance the voice of the opponents to cross-border and pan-European solutions precisely because in Brussels there was not such alliance defending and promoting such goals. Such a gap needed to be filled because the voice of those in favour of cross-border and pan-European solutions was not being represented.

Having said that, we are trying to set up a constructive dialogue and a fruitful cooperation with everyone in order to overcome this opposition with the aim of ultimately finding potential solutions that combine the needs and interests of everyone.

I am strongly convinced that national and cross-border solutions in Europe can perfectly cohabitate and can be complementary without meaning any replacement or substitution of local solutions with pan-European ones – that is to say, the European ‘subsidiarity principle’ according to which local solutions that work well should be preserved. On the other hand, when local solutions are no longer sufficient, considering that the EU is a big economic space of freedoms, pan-European and cross-border solutions should be adopted.

As an example, let’s imagine you have a number of big companies employing workers in several EU countries or some categories of workers and individuals moving across the borders of the EU; shouldn’t those entities and people deserve better solutions in order to manage their costs (for companies) and/or safeguard their social rights (workers/people)? In conclusion, what we really reject is a dogmatic opposition to alternative/additional solutions that will ease costs of management for employers and

providers operating across the EU and penalise the social rights of citizens, workers and pensioners moving throughout the European economic area.

What regulatory/legislative changes would you like to see to enable the further development of cross-border/pan-European employee benefits in Europe? What barriers are there still to overcome?

I would like to see a new legislative framework for use on a voluntary basis by employers, providers and consumers to improve the cross-border situation within the European economic area, because such fragmentation of the national systems currently represents a real burden to the economic competitiveness of companies operating in several countries of the union; and a framework to safeguard the social rights of European citizens moving across the border of the EU member states.

Just to offer a personal example, in the past 14 years I’ve moved to three different European countries, which was my EU legal right. However, because of the aforementioned fragmentation of the European national social systems, I’m still stuck with two (private) pension funds based in the countries where I’ve been residing and working. I cannot transfer my accumulated pension capitals; this money is ‘frozen’ in each country and so, theoretically, I should now open yet another pension account in any new country of residence, because transferability/portability is not allowed in the EU. It does not make any sense, particularly as such a fragmented situation will undermine my final pension income. Even worse, when a worker is transferred from a national branch of their company to another branch of

the same company (infra-corporate mobility), they will have to quit their national pension fund in order to join the local pension scheme of the new country of destination; such a situation is inefficient and costly for the employer, and penalising for the worker.

As for obstacles, apart from the aforementioned lack of portability of pension rights, cross-border activities provided by the pension funds directive (IORP) are still too complicated and costly. After all, data on cross-border is quite clear; in the past 15 years, only 73 activities were active in the EU, 50 per cent of which are between the UK and Ireland, and often already pre-existent to the approval of this directive. Taxation issues also contribute to complicate cross-border solutions. Therefore, it would be a real mistake to generally declare that “there is no appetite for cross-border solutions”; lack of appetite should instead be understandable under the current legislation as it does not represent a valuable, cheap and efficient solution.

What are your aims going forwards?

My aims are to publish an important series of reflection papers/proposals/studies and joint positions in cooperation with my members and the scientific council. Indeed, in the past year, I have had to focus my efforts on the development of the structure in order to reach a reasonable size. Now that objective has been achieved, I feel ready to work and spread our content and ideas.

The CBBA-Europe Annual Conference on Pan-European and Cross Border solutions (pensions & healthcare) will be held on 27-28 November in Brussels. To view the programme or book your place, visit www.cbba-europe.eu/eventlist/ ■