

Dear Chief Academic Administrator,  
Professor Jorens,  
dear Secretary-General,  
dear Director  
ladies and gentlemen,

“Elk nadeel heb zijn voordeel,” which means: every disadvantage has its advantage. This statement by the famous Dutch football legend Johan Cruyff perfectly suits the current situation in Europe. When the euro was introduced, we had to toil and moil to meet the so-called Maastricht criteria. This was the disadvantage. The advantage, call it the carrot, was the admission ticket. In the early days, joining the euro was almost equal to entering paradise on earth. On the possible disadvantages which a single currency could involve for the member states’ economies, not a word was spoken in any European language, and thus neither in Greek. It is a long lane that has no turning. Today, there is no need to convince the average Greek of these disadvantages. On the contrary, these days it requires more than a modicum of courage to explain to him or her that the euro has its advantages as well. And then there is the expansion of the Union. This, too, has its advantage. However, considering what I have heard and read from, amongst others, your mayor and from the chairman of your local Social Service Department here in Ghent, I know there are also disadvantages. These disadvantages, I would never deny. Still, we have to take care not to throw out the baby with the bathwater, because Europe’s advantages are undeniably many times greater than its disadvantages.

This is, of course, no reason to leave the problems the way they are. For example, next to the numerous advantages, the free movement of persons, goods and services has one important disadvantage: it is a magnet for serious and organised cross-border fraud. There is only one way to effectively deal with this kind of fraud: more multilateral cooperation.

Ideally, this cooperation will be organised on a European Union level. However, should it be impossible to achieve this in the short term, this should not be a reason for discouragement. In this case, a strong cooperation between the member states should be established resulting in a consensus.

The past few years, the European Union made great strides forward in the fight against cross-border tax fraud. At the end of last year, the Belgian presidency was able to force a breakthrough in the negotiations on the directive on administrative cooperation in the field of taxation.

The cooperation in the fight against cross-border social fraud is far less advanced within the EU, although there is the EESSI-project, which should result in the electronic exchange of social security information by 1 May 2012. Still, this cooperation remains mainly bilateral or informal in its nature. A comprehensive legal multilateral framework is lacking. As a result, the social inspection services are currently having a hard time to detect and deal with social fraud.

A large part of this fraud can be traced back to frauds who manage to misuse the European rules on posting. Without a doubt, the phenomenon of posting has increased significantly since the Union's expansion to the East. Yet, most of the postings still happen to and from neighbouring countries, which is also shown by figures that were just released by the European Commission. According to the Commission, every year around 50,000 Belgian workers go to other European member states to work there under the authority of their

employer for shorter or longer periods. About 100,000 workers from other member states come to work in Belgium and around 30,000 of these come from Eastern Europe.

I believe that there is only a very small chance that an agreement will be reached on a European approach towards cross-border social fraud within a relatively short term. That is why I propose to start with a multilateral approach of social fraud within the Benelux, in the meantime. This organisation is given the competence to do so under the new 2008 Benelux Treaty. In the autumn of 2010, I already made the first contacts with the General Secretariat of the Benelux. The result was that the fight against social fraud was included in the organisation's year plan of 2011. Today, I may announce that the General Secretariat will soon initiate formal negotiations that should lead to a Memorandum of Understanding for the fight against cross-border social fraud.

This way, the Benelux can be a pioneer in this multilateral fight against social fraud. In the future, the European Union member states will be able to adopt the solutions which will be achieved within the Benelux. During the negotiations, the General Secretariat can make an appeal to its expertise in the field of, amongst others, the cross-border cooperation with regard to taxes and police.

On the other hand, cross-border social fraud and the fight against it have their own specific characteristics. This is where the International Research Institute on Social Fraud, IRIS, will be able to contribute the necessary expertise. IRIS has the ambition to become the European pivot in the international and multidisciplinary research on social fraud, which still shows some large hiatus. Thus, the institute obviously meets a need. That is why I wish to explicitly congratulate the initiator, Professor Yves Jorens.

For that matter, I have allowed myself the liberty to charge IRIS with an assignment, already before it has been inaugurated. At my request, Professor Jorens and his team have drafted a memorandum which may serve as a basis in the future Benelux negotiations. With this draft, we want to make it clear from the start that we cannot settle for a Memorandum of Understanding which is excel in woolly language. We want a Memorandum that talks business.

We advocate a text that includes obligatory provisions on how the competent services exchange information, how they cooperate in the field and how they enforce each other's sanctions. We are also thinking about creating a commission that includes the three countries and that guards the implementation of the agreement and settles possible disputes.

If we want to address cross-border social fraud successfully, it is of utmost importance that the Memorandum gets sufficient body. A voluntary approach without obligations will not get us far.

Therefore, with pleasure, I now hand over a copy of our draft memorandum to Dr Jan Van Laarhoven, Secretary-General of the Benelux.

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