

EU Commission Communication “Upgrading the single market”

Eurociett welcomes the EU Commission Communication and supports the call to remove unjustified barriers to cross-border business services provision to strengthen the EU Single Market

Brussels, 25th March 2016

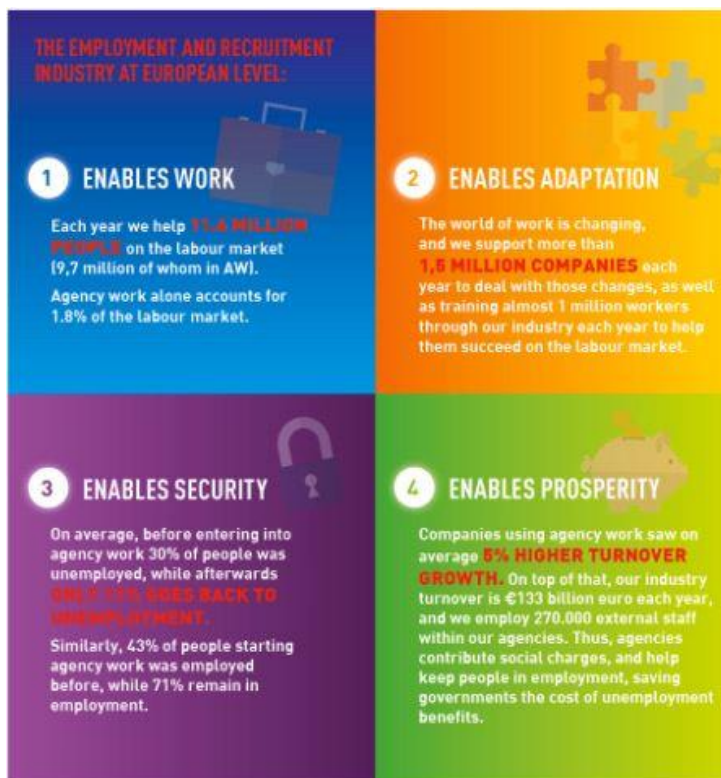
Eurociett assessment of the EU Single Market Strategy: Eurociett welcomes the EU Commission Communication “Upgrading the single market” and calls for including a focus on employment and recruitment services in the EU single market policy.

The single market and the new single market strategy need to be designed as a key driver for competitiveness, growth and job creation, valuing the role of business services.

Key Eurociett recommendation for upgrading the single market

1. Public authorities need to assess restrictions and prohibitions on employment services, agency work and the collaborative economy and remove unjustified obstacles.
2. EU and national policies should better recognise the role of business services and unlock their contribution to job creation and competitiveness.
3. Eurociett welcomes the concept of a Services Passport and calls for facilitating cross-border service provision in the EU.
4. Eurociett aims to highlight that the posting of agency workers is a key element of the single market. Therefore, Eurociett has published a specific, comprehensive position on the posting of workers.

The enabling functions of employment and recruitment services



1. Introduction

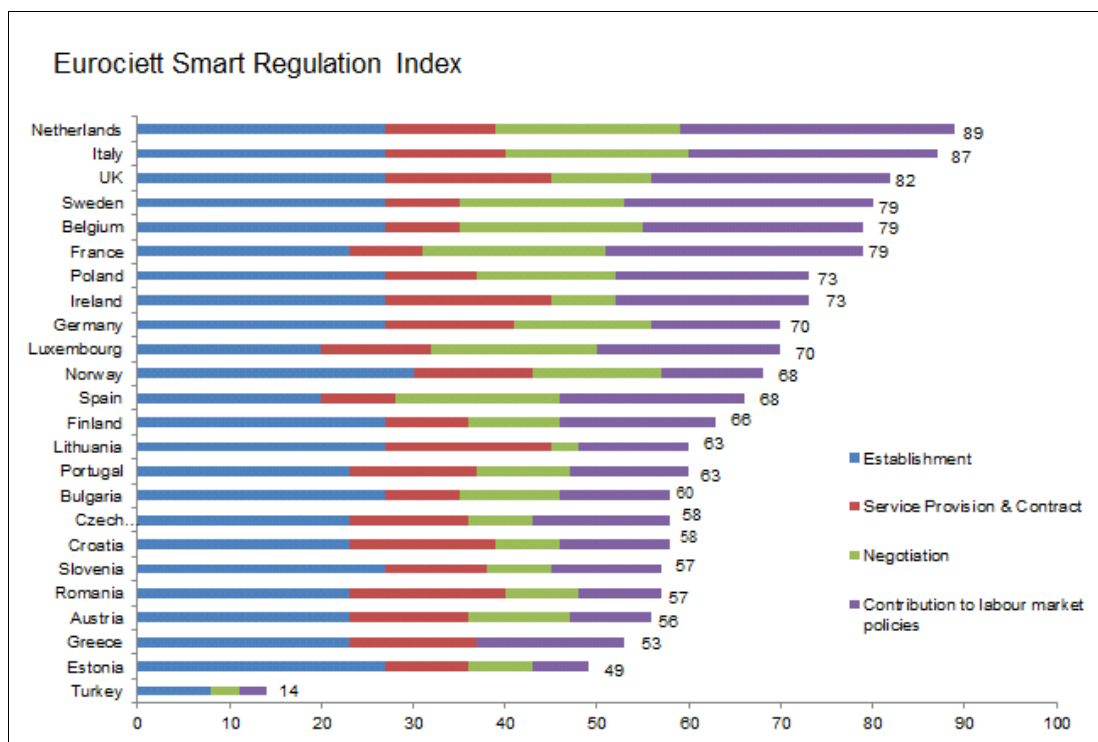
- 1.1. Eurociett welcomes the communication of the European Commission on “Upgrading the single market: more opportunities for people and business” as a positive step to further EU integration and maximise the benefits of a single market.
- 1.2. Eurociett supports the holistic approach of the Commission to link up the single market strategy with other relevant initiatives, such as the European energy union or the digital single market strategy to avoid unnecessary duplications or miss out on synergies.
- 1.3. Eurociett supports the recognition that business services, including the employment and recruitment, as a key sector, will need further attention in terms of removal of regulatory barriers and restrictions in order to better contribute to economic growth and job creation.
- 1.4. Employment and recruitment services are a key enabler of work, adaptation, prosperity and security in the European single market. On a yearly basis, the employment and recruitment services in Europe create more than one million more jobs in Europe and serve 1.5 million companies with the right talent to succeed.
- 1.5. Linked to the labour market dimension of the EU Single Market, Eurociett would like to stress that the posting of workers, including the posting of agency workers, is an important element in the context of the freedom to provide services. Given the fact that the posting of workers and the Directive 96/74 on the posting of workers is currently subject to a controversial debate at EU level, Eurociett has published a specific position paper on this topic.¹

2. Collaborative economy: embracing the benefits of the changing world of work

- 2.1. The Communication recognises the new economic models where on-line platforms enable people to provide and purchase services, i.e. the so-called collaborative or shared economy, and identifies five particular collaborative sectors, including on-line staffing, that are developing significantly.
- 2.2. These models have a potential of fostering economic growth and creating new job opportunities. However, they may also pose some challenges as their rapid development does not fit with existing market systems, such as taxation, licensing, health and safety norms, social security, etc. For Eurociett, it is essential that this is considered in a wider context of a transformative change in the world of work. Enabled by different factors and trends, the world of work is undergoing a significant transformation: the sharing or collaborative economy is part of this shift to a new world of work.

¹ Eurociett Position Paper: Posting of agency workers and the cross-border provision of services
Priority should be laid on a better implementation of the Directive 96/71, using the options offered by the Directive and the 2014 enforcement Directive. Position Paper is available online: www.eurociett.eu

- 2.3. Keeping this in mind, it is important to look at the development of these services with a fresh approach, focusing on compliance with existing laws and developing guidance on how to apply the current “acquis communautaire” to collaborative economy models.
- 2.4. At the same time, integrating this approach, Eurociett would call for an assessment of the barriers and restrictions to the fruition and provision of these services, which can hamper their job creation potential and their economic growth.
- 2.5. Looking at the level and effectiveness of regulation on private employment services, Eurociett has developed a smart regulation index in 2016, which looks at key conditions for providing services in the single market. These include the freedom of establishment and potential restrictions to this freedom and the freedom to provide services. Two further dimensions of the index focus more on the labour market contribution of private employment services and cover the right to negotiate and the active involvement in labour market policies. The result of the index shows that the Netherlands, Italy and the UK are at present the top three countries in terms of smart regulation, whereas emerging markets such as Turkey and Estonia are also characterised by less efficient and less smart regulation. Smart regulation for employment and recruitment services is essential, as it enhances the competitiveness of the country and contributes to job creation and labour market participation.



2.6. More broadly, Eurociett would carry out this exercise with a view to re-think and reform some of the systems that apply to more traditional market systems: in a changing world of work, measuring innovative practices with old criteria would result in an unfavourable and skewed picture. For example, take social security systems: in the majority of countries, they were designed with a particular model in mind, i.e. the full-time open-ended contract. This means that other work arrangements that have developed overtime and are complementing open-ended contracts do not fare as well. This is the case of self-employment that, according to research², seems to afford less access to statutory social security in Europe.

2.7. In this context, Eurociett would also use this opportunity to embrace the changing world of work and update regulatory systems that stand in the way of innovation, economic growth and creation of employment. This implies the need for reforms of services markets, labour markets and rules covering business services.

3. Unlocking the potential of business services

3.1. Eurociett welcomes that the recognition of services and in particular business services as a driver for growth and prosperity.

3.2. The business services sector encompasses many more types of activities than those identified in the communication as key³ and it is important for the sector to be organised at the European level and provide data and information that will be useful for the design of policies and actions in this respect.

3.3. It is for this reason that Eurociett, together with other key European business services associations, has founded the European Business Services Alliance. The platform aims at raising awareness and knowledge about the role of business services in Europe.

3.4. Eurociett is very supportive of the European Commission's intention to facilitate provisions of services in other EU Member States. Taking the legislative approach to simplify existing procedures and requirements should be done in close consultation with the key stakeholders representing the business services and the services sectors in order to avoid the opposite outcome of further complication.

3.5. On the proposed notification system, Eurociett welcomes the proposed legislative initiative to adopt harmonised forms and the creation of an electronic document repository to avoid duplications and unnecessary burdens to cross-border services providers. Building on this idea, the possibility to make use of a "services passport" is also welcome; yet it remains to be seen how this will actually be designed and implemented in reality.

3.6. It is of particular interest for Eurociett what the requirements and the modalities will be for the notification of posted workers, professional qualifications in line with the Services

² Eurociett and UNI Europa, *How temporary agency work compares to other forms of employment*, 2015.

³ Accounting, architecture and civil engineering services.

Directive and the Posted Workers Enforcement Directive. For Eurociett, it will be essential to offer ways to cross-border services providers to streamline the process, while ensuring protection of posted workers.

3.7. Finally, it would be necessary for the services passport to be truly a facilitator of cross-border provision of services, in other words to be useful, the passport issued in one Member State must be recognised and valid in another. To ensure interoperability, Eurociett will be happy to provide information and input on how to build a services passport that will work for the recruitment and employment services providers in Europe.

About Eurociett: As the European Confederation of Private Employment Services, Eurociett is the authoritative voice representing the common interests of the agency work industry in Europe. Eurociett gathers 30 national federations from European countries, and 7 of the largest international staffing companies as corporate members. Its main objectives are twofold: to seek greater recognition for the positive role of the employment and recruitment industry plays in better functioning labour markets; to help its members conduct their businesses in a legal and regulatory environment that is positive and supportive.

**LEADING
IN A
CHANGING
WORLD OF WORK**