

This checklist aims to clarify the effect of the Commission proposal for a Directive on Services presented on 13 January 2004

Some things the proposed Services Directive would do:

- help boost economic growth and sustainable jobs. The Internal Market has since 1993 created nearly €1,000 billion of prosperity and 2.5m jobs. It can deliver much more if we can create a real Internal Market for services.
- make it easier for businesses, especially SMEs, to provide services throughout the EU. This would increase crossborder competition in services markets, bringing down prices and improving quality and choice for consumers.
- remove pointless red tape, for example by simplifying the authorisation and licensing regimes which businesses have to comply with. Business would be able to complete any necessary formalities electronically and through one point of contact.
- improve cooperation between national authorities in different Member States to protect and inform consumers and to combat rogue operators or illegal work. Better exchange of information and closer cooperation would replace the current wasteful duplication of national regulations and controls.
- help stop discrimination against consumers on grounds of nationality. For example, differing entry fees to museums or cultural events could not be imposed on tourists on the basis of their nationality.
- clarify the conditions under which patients are entitled to reimbursement for medical care obtained in another Member State to ensure that patients can benefit from a better choice of high quality treatment.

Some things the proposed Services Directive would not do. It would:

- not force Member States to liberalise or privatise “public services” or open them up to competition. The Directive is limited to facilitating and simplifying the development of services activities at EU level in those areas which are already open to competition.
- not affect the freedom of the Member States to define what they consider to be “public services” or services of general economic interest, or to decide how they should be organised and financed.
- not change the way Member States choose to organise health and social security systems. It is Member States’ responsibility to decide to what extent and under what conditions private operators, for example private hospitals, may provide services funded by the social security system.
- not impose a significant impact on Member States’ social security systems. A Member State is only responsible for the cost of medical care obtained by a patient in another Member State to the extent that it would anyway meet the cost if the same treatment was delivered at home.
- not allow companies to bring in “cheap” workers from other Member States. The proposal leaves unchanged the rule that a service company posting workers to another Member State applies that Member State’s employment conditions including minimum wages in order to avoid “social dumping”.
- not prevent Member States from supervising companies and workers operating on their territory. The Member State where the service is provided would continue to enforce working conditions. It could still carry out spot checks, for example on construction sites, and demand all relevant information from the company which has posted workers there.
- not endanger the protection of public health, public security or consumers.