## **CEPLIS TELEGRAM**



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# Interview with Commissioner Elżbieta Bieńkowska

As you know, Ms. Elżbieta Bieńkowska is the European Commissioner for Internal-Market, Industry, Entrepreneurship and SMEs, since the 1<sup>st</sup> of November 2014.

We thought it was interesting to share with you an interview the (still) new Commissioner has given at the end of last March in order to clearly explain the ideas and projects she wishes to realise in the coming 4 and a half years.



#### 1. What is your top priority as a European Commissioner?

"To get Europe working". I want to create the conditions that allow us to convert all our strengths into growth and prosperity.

As a first step I shall be giving my whole-hearted backing to the investment offensive announced by the European Commission President. More investment without adding to public debt will create long-term, sustainable growth. The plan opens new doors for industry, allowing it to reach out to new markets and develop new business models.

#### 2. What industrial policy does Europe need?

Industrial policy at the EU level should focus on the business framework: where are the barriers? Where can we help? Where are we doing harm?

It should aim to keep high value jobs in Europe and be based on our advantages such as an educated workforce, strong legal systems, the internal market and low levels of corruption in public life, while overcoming challenges such as an ageing population, shortage of raw materials and higher labour costs.

It should be built on concrete actions with visible results. The contribution of the EU, the Member States, regional and local authorities must be clearly defined. Each of us has to focus on what we can do and do it well.

We aim to help EU industry make the leap into the new era of smart and clean production and products. Innovation is the key to reindustrialisation.

Promoting competitiveness, the over-arching aim of industrial policy, must be woven into the fabric of all policy, at all levels of government. Industrial policy is not a separate issue: it is at the heart of the Commission's pro-growth, pro-jobs, pro-industry policy.

This is not the year zero for industrial policy. Good things are already happening: cooperation with regions on smart specialisation, building on local centres of excellence; COSME financial support for business. We are promoting actions that target individual sectors – space and defence are particular examples.

#### 3. What will you do for the Single Market?

The Single Market is one of Europe's best assets but it is very much a work in progress. Our citizens and businesses quite rightly complain when they face bottlenecks, inefficiencies or barriers.

The Commission is developing a strategy to unleash the Single Market's full potential, delivering further integration and improving mutual recognition and standardisation in key industrial and services sectors. SMEs will be a particular focus.

We are reviewing the mutual recognition process for goods and the implementation of the Services Directive. We are asking if regulation of professional qualifications is working in the Single Market and looking at discrimination against consumers based on nationality or place of residence.

We must ensure that laws are properly applied in practice. Citizens and businesses must know and understand their rights and receive practical help in applying them. Public administrations should cooperate effectively in applying single market laws across borders. Tools such as Your Europe, Your Europe Advice, the Single Points of Contact and SOLVIT are very important - we must ensure that people make the most of them.

#### 4. What's in store for European SMEs?

Every big business started small: for future prosperity we have to encourage start-ups, entrepreneurs who might one day take on the world. Helping SMEs helps our economy grow - they provide two out of three private sector jobs in the EU. We must minimise the burdens imposed by government and maximise the availability of the things businesses need, be they skilled staff, raw materials, finance for growth or access to markets in third countries.

We must improve the environment for SMEs. For example by ensuring that throughout Europe, the time and cost of setting up a business are radically reduced by faster licensing processes. Efficient administration is essential for businesses and citizens. We must further modernise public administration by exchanging best practices and addressing progress via the European Semester.

We can do much to reduce administrative burden, by deploying electronic one-stop-shops and facilitating the transfer of business ownership. My proposal is to facilitate the handling of bankruptcy cases so as to give a second chance to honest entrepreneurs. SMEs need finance to develop their business. The  $\notin$ 2.3 billion in the COSME programme helps them directly. We will also support the use of new financing sources for SMEs, e.g. raising money through securitisation and providing guarantees to increase the availability of loans.

We strongly believe here in CEPLIS that the continuation of the process initiated by former Commissioner Tajani regarding the specifities of the liberal professional enterprises is a necessity for the success of the Commissioners' goals. We do understand that the process launched by the Working Group last year had to slow a bit down at the beginning of the new Commission's mandate. It is now time to re-start and begin to bring fruit. Liberal professional are a serious actor in the effort for growth.

For further information about the interview, please feel free to contact our Secretariat.

# Buy and sell services in Europe

As you all know, the "Service Directive" (Directive 2006/123/EC of 12 December 2006 on services in the internal market) requires all EU Member States to cut redtape and increase transparency in the market. Significant progress has recently been made in the fields of integration, the digital Single Market and jobs creation.

In the light of a (very) possible launching of the revision process of this Directive already these years, it seems to us necessary to bring back to your memory a certain number of facts.



The European services industry is the largest and most dynamic sector of the EU economy, accounting for around 70% of GDP and employment. Citizens use services every day when shopping (in a supermarket or online), or using professional services. Small and medium-sized enterprises (SMEs) are among the main providers of these services. European legislation aims to make life easier for consumers, businesses and professionals using or providing services across the EU.

The Service Directive has been in force since 2011 and covers sectors that account for around 46% of EU GDP. It requires all EU countries to cut red-tape, increase transparency in the market and eliminate unjustified or disproportionate requirements. EU Member states have had to modify national laws that restricted freedom of establishment, or the freedom to provide cross-border services. To make it easier for companies to offer services in EU countries other than the one in which they are registered, Member States can impose regulatory requirements only if they are justified and proportionate to objectives in the public interest. All countries also have to set up business-friendly e-government portals that allow businesses to complete administrative procedures online, the so-called "Point of Single Contact".

Significant progress has also been achieved by specific legislation in fields such as financial services, transport, telecommunications, broadcasting **and the recognition of professional qualifications**.

#### Further integrating the services market

The services sector plays a central part in our economy, but shows low productivity growth and an inefficient allocation of resources, disadvantaging the manufacturing sector. The EU level of trade integration and cross-border establishment in services also continues to be disproportionately low compared to goods. Many companies with the intention of providing their services in another EU country face lengthy authorisation procedures, even if they already obtained similar authorisations in their home country. In order to dismantle barriers and enable all European businesses to reap the benefits of an integrated Single Market, the Commission will continue to ensure that the rules of the Services Directive are respected, focusing on **the sectors** with the greatest economic potential, such as business services, retail, construction and tourism.

#### Better exploiting the digital Single Market

Only 10% of European consumers make cross-border purchases online. E-commerce has the potential to transform the retail and postal services sectors, while also allowing services companies to access new markets and consumers. This potential needs to be fully exploited.

However, companies' discrimination of consumers according to nationality or place of residence prevents them from fully benefiting from the Single Market. The Commission is addressing this by targeting consumer discrimination, for example in the car rental sector. It will also look at additional sectors and facilitate the development of cross-border price comparison tools. The increased use of e-governance (Point of Single Contact) is also important, as it offers companies more opportunities to complete administrative procedures online.

#### The full potential of services in jobs creation

Services account for two thirds of jobs in the EU economy. 9 out of every 10 new jobs created in Europe are in the services sector, making it the key sector for job creation and economic growth. Maintaining and improving the framework conditions for companies, especially SMEs, **is therefore crucial and a priority for the Juncker Commission during the next 5 years.** 

The Services Directive applies to the provision of a wide range of services, covering:

- 1. distributive trades (including retail and wholesale of goods and services)
- 2. the activities of most regulated professions (e.g. legal and tax advisers, architects, engineers, accountants, surveyors)
- 3. construction services and crafts
- 4. business-related services (e.g. office maintenance, management consultancy, advertising and recruitment services)
- 5. tourism services (e.g. travel agents) and leisure services (e.g. sports centres and amusement parks)
- 6. installation and maintenance of equipment
- 7. information society services (e.g. publishing, news agencies, computer programming)
- 8. accommodation and food services (hotels, restaurants and caterers)
- 9. training and education services
- 10. rentals and leasing services (including car rental)
- 11. real estate services
- 12. household support services (e.g. cleaning, gardening).

Let us finally remind that the Directive 2006/123/EC of 12 December 2006 on services in the internal market does not apply to the following services, which are explicitly excluded: Financial services, electronic communications services, transport services, healthcare services, temporary work agencies' services, private security services, audiovisual services, gambling, certain social services, services provided by notaries and bailiffs.

For further information about the service directive, please feel free to contact our Secretariat.

### Results from the Europe 2020 public consultation and publication of the integrated economic and employment guidelines

The Commission has adopted a Communication on the results of the public consultation on the Europe 2020 strategy for smart, sustainable and inclusive growth. These results will pave the way for a review of the Europe 2020 strategy later this year, as announced in the 2015 Commission Work Programme.

The Commission also published its proposals for integrated guidelines for economic and employment policies, to be adopted by the Council. Both sets of documents are important references for developing the EU's jobs and growth agenda.



#### What is Europe 2020?

The Europe 2020 strategy was launched in 2010 as the EU's integrated long-term strategy for jobs and growth. To achieve its objective of smart, sustainable and inclusive growth for Europe, the strategy relies on five headline targets for the EU to achieve on employment, research and development, climate and energy, education, and the fight against poverty and social exclusion. The strategy is implemented and monitored as part of the European Semester of economic policy coordination. In addition, it has served as an overarching framework for a range of policies at EU and national level. In particular, the strategy has served as a guide for the design and programming of the European Structural and Investment Funds over 2014-2020.

#### What are the main findings of the public consultation?

The main outcomes are:

- Europe 2020 objectives and priorities remain meaningful in the light of current and future challenges and serve as a compass for policy action to promote jobs and growth at EU and national level.

- The five headline targets represent key catalysts for structuring the jobs and growth agenda and help to keep the strategy focused; they enable to compare performances and to track progress in key areas;

#### - Most of the flagship initiatives launched in 2010 have served their purpose, yet their visibility has remained weak;

- Better ownership and involvement on the ground would serve the strategy's delivery.

#### When did the public consultation take place and who participated?

The public consultation on the Europe 2020 strategy for smart, sustainable and inclusive growth was held between 5 May 2014 and 31 October 2014. The aim was to collect experience from stakeholders to draw the lessons from the first years of implementation of the strategy and to feed into the review.

In total, 755 contributions were received from 29 countries. Social partners, interest groups and non-governmental organisations are the most represented category of respondents, followed by Member States' governments and public authorities, individual citizens, think tanks, academia and foundations, and companies.

#### What are the next steps for the Europe 2020 strategy?

In line with the Commission's work programme for 2015, the Commission will present proposals for the review of the Europe 2020 strategy before the end of the year.

#### What are the integrated guidelines?

The Treaty on the Functioning of the European Union provides that Member States should regard their economic policies and promoting employment as a matter of common concern and shall coordinate their action within the Council. In this regard, the Council is to adopt broad economic policy guidelines (Article 121) and employment guidelines (Article 148). The guidelines for employment and economic policies are presented as two distinct - but intrinsically interconnected – legal instruments. Together they form the Integrated Guidelines:

A Council Recommendation on broad guidelines for the economic policies of the Member States and of the Union – Part I of the integrated guidelines;

A Council Decision on guidelines for the employment policies of the Member States - Part II of the integrated guidelines.

#### What has changed?

The Broad Economic Policy Guidelines and Employment Guidelines were first adopted together in 2010, underpinning the Europe 2020 strategy.

The new set of 'integrated guidelines' updates this guidance in line with the new approach to economic policy making built on investment, structural reforms and fiscal responsibility, as set out in the Commission's 2015 Annual Growth Survey.

The Broad Economic Policy Guidelines cover priorities such as boosting investment, implementing structural reforms, removing key barriers to growth and jobs at Union level and improving the coordination, sustainability and growth-friendliness of public finances. The Employment Guidelines cover priorities such as job creation, labour and skills supply, better functioning of the labour markets, social protection and the fight against poverty.

They seek to maximise the positive spill-over effects of coordinated action, an appropriate overall economic policy mix and a consistent contribution from European policies to the Europe 2020 strategy's objectives.

#### What role do the integrated guidelines play in the European Semester?

The integrated guidelines support the achievement of smart, sustainable and inclusive growth and the aims of the European Semester of economic policy coordination. Specifically, the Integrated Guidelines frame the scope and direction for Member States' national programmes, expected by mid-April, and serve as reference the development for Country Specific Recommendations.

The integrated guidelines will be discussed in the coming months, notably by the Parliament, before being adopted by the Council.

For further information about the consultation and guidelines, please feel free to contact our Secretariat.

#### **FORTHCOMING EVENT**

### UNAPL's European Day

When?	Tuesday, 2 <sup>nd</sup> of June.	
Who organise it?	Union Nationale des Professions Libérales (France)	
To Whom?	Promote entrepreneurship and private practice among young people in France and Europe.	
Where?	Maison de l'Europe (35, rue des Francs Bourgeois, 75004 Paris)	
Language?	French	
Why?	This event is part of the implementation of the action plan "Entrepreneurship 2020" of the European Commission, which expressly refers liberal entrepreneurship. The event aims to bring together on one side, those responsible for education and higher education and on the other, the operators themselves, to establish constructive relations between them.	

### The role of engineers in the reindustrialization of Europe

When?	30th April 2015 at 9:30 p.m – 1:00 p.m
Who organise it?	The European Economic and Social Committee's Consultative Commission on Industrial Change (CCMI)
To Whom?	Public Hearing
Where?	EESC, Jacques Delors Building, Room JDE 70, rue Belliard 99, 1040 Brussels
Language?	EN/FR/PL/IT
Why?	The hearing is part of the preparation of an own-initiative opinion on the role of engineers in the reindustrialization of Europe.
	The experience would have an essential contribution to the dialogue on this topic and it could be able to provide deep insight into the difficulties and the opportunities for this profession.
	There will be room for debate and your input would help the study group members to formulate their final opinion on the subject. After its adoption, the opinion will be transmitted to the European Institutions for consideration.
Agenda	The program of the event will follow shortly.