

Opinion of the European Economic and Social Committee on 'Developments in the business service sector in Europe'

(2009/C 27/06)

On 6 December 2007, Ms Margot Wallström, vice-president of the European Commission and Commissioner for Institutional Relations and Communication Strategy, and Mr Günter Verheugen, Vice-President of the European Commission and Commissioner for Enterprise and Industry, requested the European Economic and Social Committee to draw up an exploratory opinion on

Developments in the business service sector in Europe.

The Section for the Single Market, Production and Consumption, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 11 June 2008. The rapporteur was **Mr Calleja**.

At its 446th plenary session, held on 9 and 10 July 2008 (meeting of 9 July), the European Economic and Social Committee adopted the following opinion by 135 votes to 2, with 12 abstentions.

1. Introduction

1.1 Ms Margot Wallström, Vice President of the European Commission for Institutional Relations and Communication Strategy and Günter Verheugen, Vice President for Enterprise and Industry, asked the EESC to draw up an exploratory opinion on business services by undertaking a follow-up and further analysis on a previous opinion ⁽¹⁾ that considered business services and industry.

1.1.1 This study should keep in mind the great importance attached by the European Commission to the Lisbon Agenda to preserve and increase European industry's competitiveness by managing the process of change in line with the European strategy for sustainable development and on the social level by encouraging the emergence of representative social partners to negotiate at the appropriate level.

1.1.2 The achievement of such objectives must move in parallel with the simplification of the regulatory framework for industry, a political priority constituting one of the key planks of the Commission's industrial policy.

1.1.3 Moreover, this industrial policy is characterised by an integrated approach that takes into account the needs of the different sectors.

2. Summary of Conclusions and Recommendations

2.1 Recognition of the importance of the service sector in economic and social development

The EESC feels that there is an urgent need for a genuine change and broadening of focus towards services, which should no longer be considered as a mere appendix to the manufacturing industry. Society is undergoing great changes and services lie at the centre of these changes. The European Commission must therefore recognise this development and attach greater importance to it.

⁽¹⁾ JO C 318/2006 of 23.12.2006, p. 4 (CCMI/035).

2.2 Priority of Actions

Given the broad range of possible actions in policy areas related to business services, it is of the utmost importance that these actions be prioritised. Urgent progress needs to be made on the ten key objectives under the Community Lisbon Programme 2008-2010. These affect the future development of services in a direct or indirect manner. In the opinion of the EESC, these priorities should be established in the following order:

- *Action on Business Services Policies and a High Level Group.* It is recommended that a High Level Group on Business Services be set up to undertake deeper analysis of the sector, to screen existing policies in order to identify and assess the more effective and successful of these in regard to business services, and to design concrete policy actions to address major gaps and needs. Particular attention should be paid to the very diverse nature of the different business services subsectors in order to identify which ones deserve major policy attention and at which level (regional, national, EU) policy action is justified.
- *Labour Market Policies in Business Services.* From a social perspective an in-depth examination is required at sectoral level of the challenges being created by the new types of employment generated by interactions between business services and manufacturing industry. This analysis needs to encompass education, training and life-long learning, as well as the employment conditions of workers, including those involved in outsourcing processes. To achieve this objective social dialogue at a sectoral level should be encouraged. In this context, an agenda should be drawn up to discuss specific changes in labour conditions and job opportunities resulting from structural changes affecting the business services sector.
- *Business Services in Innovation Policies.* R&D and innovation programmes and actions for service innovation should be strongly promoted. Areas such as organisational innovation, Knowledge Intensive Business Services (KIBS) and innovation management deserve more attention.

- *Business Services Standards Development.* Enterprises should be encouraged to help establish standards through self-regulation after thorough consultation with users of business services. The support of CEN and its Associates (open platform) is important to disseminate the fruits of successful innovation, especially through rapid informal consensus-building
- *Promoting Service Science* as a new discipline in education and training.
- *The Internal Market and Regulation affecting Business Services.* The EESC has identified a list of areas that need to be tackled in order to bring about simplification, clarification and a reduction of regulatory burdens, obviously without weakening existing health and safety at work requirements and worker representation obligations. Amongst other things, attention is drawn to the fact that no impact assessment has been carried out of the Services Directive on business services and that this deserves a major effort, especially once the directive has been transposed into national legislation. This should include the identification of possible further actions concerning more open trade and competition in the enlarged EU Internal Market.
- *Further Improvements in Business Services Statistics.* Member States are recommended to collaborate more in order to improve statistics on business services and, in particular, to have better information on their performance and their effects on the economy of Member States — a necessary tool for governments if they are to help the sector develop its potential. Recent amendments to Chapter 74 of NACE will still not be enough to provide the necessary details required to capture meaningful data on business services.

3. General Remarks

3.1 *Background.* The EESC own-initiative opinion adopted in September 2006 — CCMI/035 — proposed that more serious attention be paid to business services because of the contribution they make to the performance of European manufacturing industries. That opinion explained the interactions between services and manufacturing and the impact on social and economic performance in terms of employment, productivity and competitiveness. That was taken as the starting point for this follow-up and further analysis of business services. It would be well to start the present opinion by defining business services as a set of service activities that — through their use as intermediary inputs — affect the quality and efficiency of production activities, by complementing or substituting in-house service functions (Rubalcaba and Kox, 2007). This definition has some equivalence with NACE rev. 1 (codes 72-74) and with the new version of NACE (codes 69-74, 77-78, 80-82) and the aggregation of different categories of services. There are two major categories within business services:

- Knowledge-intensive business services (e.g. computer and IT services, management consultancy, accountancy, tax and legal advice, marketing and opinion polling, technical

services and engineering, personnel services and professional training and recruitment)

- Operational business services (e.g. security services, cleaning services, administration and bookkeeping, temporary labour recruitment, call centres, translation and interpretation).

The aim of this opinion is to help this sector earn more recognition, to enable it to develop without hindrance and to help European economies in their efforts to become more competitive in the global market.

3.2 *Importance of Services and Business Services.* Services have an increasing place in the mindset of citizens, professionals, companies, regions and countries. Services to a large extent dominate the new demands and supplies of economic and social systems. Although they are present in most aspects of economic and social life, much of their activity is not captured by statistics. The traditional breakdown among productive sectors, even if it is incomplete and hides the strong interrelations among economic sectors, allows us to estimate the importance of major economic activities (see chart 1). Services as an economic sector are of increasing importance in Europe, with a share in total employment smaller (at 70 %) than in the United States (80 %) and larger than in Japan (67 %). In all these three areas, the particular subsector of business services has grown at a very dynamic pace, leading to similar increases in the share of total employment. Enterprises that provide business services as their main activity account for 10-12 % of total employment and value added. If one considers the business services produced as a secondary activity, the percentage employment would be much larger. In Europe in 2004 (see chart 3), the countries leading the business services economy were the Benelux area, the United Kingdom, France and Germany. In the period 1995-2004, some countries — Hungary, Poland, Austria, Latvia and Malta, among others — increased their business service sector quite substantially. This suggests a certain convergence process between some EU countries. These country positions only represent employment in companies that have business services as their main activity. Most of them are SMEs.

3.3 *Assessment of Developments.* The EESC has now re-assessed the situation in the light of developments since its previous opinion of September 2006 (CCMI/035) and noted with satisfaction how the importance of business services in manufacturing has acquired greater weight in decisions taken by the Commission:

- The Communication 'Mid-term review of industrial policy. A Contribution to the EU's Growth and Job Strategy document' ⁽²⁾, issued after the EESC opinion referred to above, advocates action on the screening and competitiveness analysis of the service sectors and their impact on industrial competitiveness. Further sectoral monitoring should be conducted if necessary. The outcome would be the identification of all obstacles to improvement in competitiveness and the elimination of possible market failures that might

⁽²⁾ COM(2007) 374 of 4.7.2007.

justify actions to address specific problems in industrial and/or service sectors. This in-depth analysis by the European Commission is taking place this year and should produce results by the end of the year.

- The publication in July 2007 of a Commission staff working document entitled ‘Towards a European strategy in support of Innovation in services: Challenges and key issues for future actions’⁽³⁾, the launching of the European platform for business-related services in February 2008 and the forthcoming Communication on service innovation (expected late in 2008) may all constitute an important step towards a real integration of services in EU innovation policies.
- The adoption of ‘The Services Directive in the Internal Market’⁽⁴⁾, which must be implemented by 28 December 2009 at the latest, will constitute an important turning-point in achieving a genuine internal market for services, provided the provisions of the directive are transposed into the national legislation of Member States and that steps are taken to ensure that labour law and collective agreements of the country where the service is delivered apply. Both businesses and consumers will be able to take full advantage of the opportunities it affords. It should also encourage the business service market to function by facilitating trade and investment between EU countries and opening up new opportunities for manufacturing companies to choose more, better or cheaper services. New competitive advantages in the use of business services should lead to more employment, improved productivity and an enhanced economic performance.

3.4 *Supportive Actions to benefit Business Services.* On top of the major on-going EU actions promoting business services in industrial and innovation policies, and the potential spillovers generated by the internal market directive, there are other Commission actions that indirectly support the role of business services in manufacturing:

- Eurostat has now implemented a revision of NACE classification to capture more data relating to services.
- The Enterprise Europe Network for promoting entrepreneurship and growth of enterprises in the EU was launched by integrating the networks of Euro info Centre and the Innovation Relay Centre and so giving entrepreneurs more than 500 contact points⁽⁵⁾. This should be of help to SMEs and therefore to the large majority of business services providers.
- Since 2005, the European Commission has issued proposals for simplifications and reduction of red tape. The latest

proposals, issued in 2008, relate to fast-track reductions⁽⁶⁾. This is good news for SMEs, who suffer by virtue of their small size in relation to hefty administrative burdens.

- The Commission document ‘Towards Common Principles of Flexicurity: More and Better Jobs through Flexibility and Security’⁽⁷⁾ has been discussed and progress achieved in the social dialogue undertaken by the social partners. This should ease the way for Europe-wide implementation of the concept, with adaptations according to the different circumstances obtaining in each Member State. In dynamic business services, flexicurity negotiated by the social partners may be useful when better and quality jobs are promoted at the same time. The social partners should be involved if the EU is to succeed in its response to globalisation pressures.
- The launch of the Commission document ‘Towards an increased contribution from standardisation to innovation in Europe’⁽⁸⁾, which amongst other initiatives promotes acceleration of cooperation from industry and other stakeholders in the development, implementation and use of standards supporting innovation in relation to a sustainable industrial policy.

3.5 *Major Needs of the Business Services Sector.* Despite the current progress in actions related to services, major gaps and needs have to be considered. The current European policy framework is heavily biased towards the manufacturing industry, although services constitute by far the largest segment of the economy and contribute to growth in any aspect of business and social life.

3.5.1 Most of the horizontal and sectoral initiatives under the EU Industrial Policy, both at national and EU levels, focus on manufacturing industry regardless of the intrinsic supportive role that business services play in it. There is therefore an urgent need to establish a balanced EU policy that does not underestimate the importance of business services to the global competitiveness of European manufacturing itself and to the economy as a whole. Horizontal policies targeted at any economic sector must be truly horizontal and match the needs of firms and workers in the new service economy, where industrial and service sectors are inextricably linked, by create new opportunities for the European economy in the global market place as a direct result of synergies between them. Many of the EU policy initiatives that make up industrial policy must be adapted and applied to services. This involves matters such as: a fully effective internal market for services, international trade, state aid rules, labour market, social measures, training and regional policy, R&D, innovation, standardisation, entrepreneurship, and

⁽³⁾ SEC(2007) 1059 of 27.7.2007.

⁽⁴⁾ Directive 2006/123/EC of the European Parliament and of the Council of 12.12.2006.

⁽⁵⁾ Press Release IP/08/192 of 7.2.2008.

⁽⁶⁾ Memo/08/125 of 10.3.2008.

⁽⁷⁾ COM(2007) 359 final.

⁽⁸⁾ COM(2008) 133 final of 11.3.2008.

better statistics and information, taking into consideration, where appropriate, the specific needs of services. This should not be taken to mean that all policies should be vertical-specific to services. It should rather mean that the implications of all these policies in services should be screened and, when appropriate, specific actions should be taken.

3.5.2 Some major needs can be identified in the following areas:

— *Business Services in industrial policies.* Following the recent inclusion of business services and the on-going screening exercise, more attention should be paid to the specific conditions in which the use of services is favourable to industrial performance e.g. the role of services for industrial competitiveness and productivity from an economic perspective. To face global competition, Europe must invest in innovation, knowledge, design, logistics, marketing and other business services — in other words, the entire global value chain.

— *Business Services in employment and training policies.* Most occupations are in services and this will continue to be the case. (Policy-makers should not forget that 20 % of intermediate inputs of manufacturing industry derive from services.) Therefore, the potential impact of global sourcing/offshoring in service occupations (up to 30 % according to the OECD 2006 study) impels Member States to reinforce the right skills and qualifications that will enable their industry to face global competition.

— *Business Services in innovation and productivity policies.* The promotion of service innovation is essential to reinforce industrial competitiveness through quality factors. Service innovation has a major and positive impact on quality, employment and interactions with clients. At the same time, business services can offer quality jobs under good working conditions and knowledge-intensive environments; in these cases workers contribute to make service innovation possible and successful. It may enable enterprise to compete from a better position and workers to develop new labour opportunities. The benefits of service innovation should be aimed at tackling the stagnant productivity growth rates in business services. Low productivity growth rates are still dominant in most countries, even if statistical measurement problems underestimate the contribution of business services to overall productivity gains.

— *Business Services and the Internal Market.* The task is to create a European market for services and so enable the EU to play a decisive role in the globalisation process by taking into account all conditions that influence markets and competitiveness. A particular follow-up of the transposition of the Services Directive in Member States and impacts on business services is needed.

— *Business Services and the regions.* Many regions have a poor endowment of business services, since these tend to concentrate in large metropolitan and high-income regional areas. At regional level, it is important to promote and stimulate both the demand and supply of business service and to make the most of existing networks that are able to increase synergies among different local players.

— *Business services and other related policies.* There are two types of business services-related policies: mainly regulatory policies (internal market, competition, better regulation, public procurement) and mainly non-regulatory (innovation, skills, quality and employment, standards, enterprise and SMEs, regional policies, knowledge and statistics). Particular attention should be given to the role of standards, the new discipline of Service Science, and statistics.

3.6 *Interactions between business services activities and targeted policies.* Chart 4 attached to this report shows how tentative comprehensive actions could interact and enable business services to develop forcefully to face the challenges ahead. Synergies and interactions between different types of policies should be taken into account.

3.7 *Economic rationale* is needed when designing specific EU policies to boost the operations of business services, as Kox and Rubalcaba have recently demonstrated (Business services in European Economic Growth, 2007). In support of their arguments they mostly highlighted market and systemic failures such as information asymmetry and externalities.

3.8 *Lisbon Agenda 2008-2010.* Policies related to business services could be helpful in the context of the proposals for the Community Lisbon Programme 2008-2010 (COM(2007) 804 final). Most of the ten key objectives to be accomplished by 2010 affect services either directly or indirectly.

3.8.1 The Commission will propose a renewed **Social Agenda** by mid-2008 and will help to address the skills gap. Important deficits and needs may be identified in most business services, which are very labour intensive. In its opinion on 'Employment of priority categories (Lisbon Strategy)' ⁽⁹⁾, the EESC noted that the ambitious Lisbon employment objectives had only been achieved to a limited extent and that many of the new jobs created in recent years, particularly in the case of women, were part-time. Older workers were still faced with a manifest shortage of suitable vacancies, and young people in particular were mostly finding atypical (non-standard) forms of employment, in some cases without proper legal and social safeguards. The EESC opinion stressed that in the context of flexibility there should be a high degree of social security, active labour-market policies, and education, further education and training.

⁽⁹⁾ JO C 256 of 27.10.2007, p. 93 (SOC/251).

3.8.2 Earlier this year, the Commission put forward **proposals for a common policy on immigration**. This may affect the immigration of highly qualified workers in areas such as knowledge-intensive business services and less qualified workers in activities such as cleaning or security services.

3.8.3 The Community will adopt a **Small Business Act** to unlock the growth potential of SMEs throughout their life cycle. Business services is the sector with the highest start-up and wind-up rates, so particular attention to new SMEs is deemed to be appropriate. In its opinion on 'Business potential, especially of SMEs' ⁽¹⁰⁾, the EESC advocated better targeted and streamlined integrated guidelines on SMEs for growth and jobs for the years 2008-10. SMEs will also benefit from the reduction of EU administrative burdens by 25 % by 2012.

3.8.4 The Community will **strengthen the single market and increase competition in services**. The same EESC opinion (INT/324, quoted above) complains of the incomplete single market, especially slow implementation of directives by Member States, administrative burdens and lack of labour mobility. These are huge barriers for SMEs to surmount.

3.8.5 The Community will turn the **fifth freedom** (the free movement of knowledge) into reality and create a genuine European Research Area. Knowledge-intensive business services may have a role to play in this Lisbon priority.

3.8.6 The Community will improve **the framework conditions for innovation**. The EESC has also produced an opinion on 'Investment and Innovation' ⁽¹¹⁾. The main thrust was that Europe has to stay ahead in research, technological development and innovation and that more funding from the EU budget, improvement of education facilities and a general raising of standards were necessary. Also needed were: a social climate that is open to progress and innovation; the creation of the necessary conditions and the taking of decisions that give enough business confidence and optimism for investors to put their capital into new ventures in Europe; raising awareness of the fundamental significance of basic research and instilling an entrepreneurial spirit for those who are willing to innovate and take risks; and accepting a certain level of failure and losses that inevitably comes with risk. The EESC also looked at the legal and social environment for innovative entrepreneurship and an innovation-friendly market.

3.8.7 The Community will promote an **industrial policy** geared towards more sustainable production and consumption. The role of environmental business services in industrial policy may be placed under this priority.

3.8.8 The Community will negotiate bilaterally with key trading partners to open up new **opportunities for interna-**

tional trade and investment and create a common space of regulatory provisions and standards.

4. Prioritisation of Actions in favour of Business Services

Action needs to be prioritised because the sphere of business services involves a wide policy area. In the opinion of the EESC, the priorities should be as follows:

4.1 **Priority 1:** A High Level Group on business services should be set up by the European Commission in the context of enterprise and industrial policy to ensure that policy actions take the broader view of services in their interactions with industry and economic activity as a whole. The following could be the main objectives of such a High Level Group:

- Deepening analysis of business services needs, including the needs of the different and very varied subsectors in business services.
- Screening existing policies affecting business services and designing concrete policy actions at the appropriate level (regional, national or EU).
- Recommending strategic objectives to be achieved in WTO negotiations on GATS, with an emphasis on measures needed to enable SMEs in services to export.
- Identifying and grouping policy stakeholders in areas where representation is very limited and fragmented.
- Setting up a European Observatory on business services to monitor results of measures implemented by EU policy actions and publicising best practices. Members of the Observatory should include representatives of the EESC, trade unions, business associations and business services experts.

4.2 **Priority 2:** A social dialogue dedicated specifically to the business services sector should be encouraged to discuss and formulate recommendations concerning:

- New employment opportunities
- Lifelong learning
- Outsourcing and off shoring challenges
- Identification of skill shortages
- Part-time and teleworking
- The case for flexicurity in business services (This topic has already been treated in general terms by the EESC in a recent opinion — SOC/283.)
- Lack of personnel in Knowledge-Intensive Business Services (KIBS) and the role of immigration
- Mobility.

⁽¹⁰⁾ JO C 256 of 27.10.2007, p. 8 (INT/324).

⁽¹¹⁾ JO C 256 of 27.10.2007, p. 17 (INT/325).

In practice, the viability and effectiveness of such sector-based social dialogue (e.g. recognition of agreements, organisational support) will depend on the identification and recognition of representative European organisations of employers and employees.

4.3 **Priority 3:** R&D and innovation in services:

- Analysis of modes of innovation in business services and its impact on productivity and social and economic growth
- Role of Knowledge Intensive Business Services (KIBS) in the development of service innovation
- Relationship between ICT developments and service innovation
- Screening R&D and innovation programmes to assess the position of business services
- Application of lean manufacturing techniques to services
- Role of service innovation and other possible policy actions for knowledge-intensive services at regional level. Use of innovation policies for promoting supply and demand of business services.

4.4 Priority 4: Development of Standards. Standards in services have been slow to develop. They are generally demand driven. On the side of business service providers there are structural problems. For the most part, these are small enterprises that do not belong to representative organisations in their country and this is also reflected at European level, where the category is not well represented in any European organisations. The only way to improve the situation, then, is for users to be mobilised to express their requirements. The market for business services stands to gain immensely from clear standards in this area. The development of standards can be useful to:

- Supplement or even substitute regulation
- Improve quality and stimulate competition
- Help reduce asymmetric information, for the benefit of both provider and user, in a market that lacks transparency
- Ensure comparability when a user is faced by, and needs to decide on, different offers
- Disseminate more widely the fruits of R&D and innovation programmes, thus encouraging innovation to upgrade service quality
- Reduce the number of disputes by clarification of rights and obligations between service providers and users
- Prevent social conflicts, by compliance to labour law on the part of service providers and users and, if necessary, through collective bargaining at the appropriate level

— Facilitate some economies of scale by small companies providing similar services in different EU Member States, thus leading the way to reducing obstacles to market integration

— Develop a healthy export sector and assist in public service tenders and sub-contracting of services.

4.5 Priority 5: Further improvements in business services statistics. Policy actions depend on analysis of ongoing trends that can only be gauged from clear and meaningful statistics. The apparent lack of satisfactory productivity increases in relation to the USA could be partly due to unreliable statistics based on a methodology used to measure manufacturing performance. Further refinement of business services statistics demands not just a decision from Eurostat, but collaboration from national governments to change their methods of gathering statistics. Particular attention should be paid to measuring the role of business services within other industrial and service sectors.

4.6 **Priority 6:** Service Science

Service science (or Service Science, Management and Engineering, SSME) is a new emerging discipline covering the diverse and fragmented approaches towards services: service economics, service management, service marketing and service engineering, among others. The need for promotion and better integration of all these areas is being recognised by service researchers and businesses. Service engineering provides a good example within Service Science. It is a specific technical discipline concerned with the systematic development and design of service products using suitable models, methods and tools. Although service engineering also embraces aspects of service operations management, one of its key focuses is the development of new service products. At the same time, service engineering is also concerned with the design of development systems, in other words with service-related questions of general R&D and innovation management. Integrated approaches for co-engineering physical goods, software and services will become an established feature.

Fundamental research into new business models, methods and tools will give service science a valuable boost. Finally, the growing harmonisation of service standards will encourage the specification and efficient development of new services ⁽¹²⁾.

Service engineering is one of the few fields in the service sector that has been substantially shaped by European research. Closer integration in international networks and the systematic development of an independent service engineering community are essential in order to sustain a leadership role in this field in the future ⁽¹³⁾.

⁽¹²⁾ Service engineering — methodical development of new service products, by Hans-Jörg Bullinger, Klaus-Peter Fahrlich, Thomas Meiren.

⁽¹³⁾ Thomas Meiren, Fraunhofer Institute for Industrial Engineering, Stuttgart, Germany.

4.7 **Priority 7:** The Internal Market and regulation of Business Services

Reduction and simplification of the regulatory burden. There are several restrictive factors that work against enterprises in business services and neutralise their efforts to increase their productivity and to seek business in other Member States. These include problems of labour mobility and recognition of education qualifications. The volume and complexity of regulation has grown in recent years and this has increased the burden on small service providers. The most relevant points requiring attention are:

- *Setting-up and transferring enterprises.* The time and money employed in the setting-up of a new enterprise or transferring ownership of an existing one is prohibitive for SMEs.
 - *Barriers to exports of services.* The resources necessary to track down the regulations relevant to their business and the costs of consultation are expensive for SMEs wishing to export services. A follow-up in international trade negotiations is needed to remove unnecessary barriers in external business services markets for European service providers. The existing Market Access database created by the European Commission should help to identify such barriers.
 - *Restrictions on multi-disciplinary collaboration.* There are barriers to the entry of professional service providers that may be removed when the Services Directive enters into force.
 - *Deficient transposition of EU legislation* as well as differing laws between Member States. Even if regulations are not directly against the Internal Market, wide disparity among EU countries hampers market integration.
 - *Public procurement and regulations* concerning competition between private and state-owned companies for public contracts.
- *Barriers precluding services across Member States.* Defensive attitudes adopted by professional associations in their byelaws against allowing practitioners from other Member States to operate.
 - *Posting of highly skilled workers.* Difficulties encountered in posting workers to other Member States, even when the posts are of a highly skilled nature. The EESC opinion on Posting of Workers may guide possible actions on this front ⁽¹⁴⁾.
 - *Recognition of qualifications.* Directive 2005/36/EC of 7 September 2005 on the recognition of professional qualifications was to be transposed by 20 October 2007. This involved the replacement of fifteen earlier directives covering the recognition of professional qualifications. We should now have a truly comprehensive modernisation of the Community system which promotes the EU market for business services through more flexible and automatic recognition of qualifications. In the meantime, an initiative by the European Commission called IMI is seen as a practical approach that authorities and employers in Member States can take to check within one central data base the designated authority (at regional or national level in each Member State) authorised to issue certificates of competence and qualifications and to verify the authenticity of such certificates.
 - *Transposition of the Services Directive.* A sectoral analysis would help business services to make the most out of the new regulatory environment, in particular the identification of remaining barriers during and after the transposition of the Service Directive. This will be subject to screening beginning in 2010, so that progress on transposition can be assessed and the manner in which this is done closely followed. Particular attention should be paid to the impact on the business service economy. The Internal Market Information Systems may provide useful information for follow-up and future simplification of national disparities.

Brussels, 9 July 2008.

The President
of the European Economic and Social Committee
Dimitris DIMITRIADIS

⁽¹⁴⁾ See CESE 995/2008 of 29.5.2008 (SOC/282). OJ C 224, 30.8.2008, p. 95.

APPENDIX

to the Opinion of the European Economic and Social Committee

The following Section Opinion text was modified in favour of an amendment adopted by the assembly but obtained at least one-quarter of the votes cast:

Point 2.2 — second bullet point:

‘— Labour Market Policies in Business Services. From a social perspective an in-depth examination is required at sectoral level of the challenges being created by the new types of employment generated by interactions between business services and manufacturing industry. This analysis needs to encompass education, training and life-long learning, as well as the employment conditions of workers, including those involved in outsourcing processes. To achieve this objective the agenda for social dialogue should be extended to look at the specific changes in labour conditions and job opportunities resulting from structural changes affecting the business services.’

Outcome:

87 votes for the amendment, 35 against and 13 abstentions.
