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Regarding the **Directive on Services in the Internal Market COM (2004) 2 final**

The draft Directive on Services in the Internal Market COM (2004) 2 final, is part of the process of economic reforms launched by the European Council of Ministers in Lisbon to make the European Union the most competitive and most dynamic economy in the world by 2010.

The task is to fully achieve the internal market established in 1993, by integrating the "service" sector, which represents 50 % of GDP and 60 % of jobs in the EU.

By drafting a framework directive, the aim is to gradually establish (by 2010) a legal environment, which removes the obstacles to the freedom to establish service providers between the member states.

The directive concerns a very wide variety of activities such as distribution, construction, leisure services, advertising, employment agencies, security services, etc... as well as **services linked to health and those linked to assistance and support for older persons, especially where caring for them in their own homes.**

In representing the ESCU, it is especially these two sectors, which chiefly interest us.

The three principles of the directive:

1. The rule regarding country of origin

The service provider would henceforward only be subject to the national provisions of the country where it is established, and not to the law of the country where it provides the service. To state this clearly, a service provider working in another European country will not be required to respect the set of wage agreements or social welfare provisions applicable in that country. Everyone is aware of the current disparity in these requirements, which presents a clear problem in terms of the possible continuation of some services.

2. The suppression of licensing requirements to practise certain activities

The licences in question similarly concern social welfare provisions. Standards in terms of personnel, for example, imposed by some legislation in European countries on hospitals, care homes, and on services providing support and care in the home would no longer necessarily be respected... The consequences could be devastating for people, and more especially still for older people, who will be the ones primarily affected. In effect, this could trigger a reversal in standards of supervision and training, thereby putting the quality of life of the persons receiving support at risk. Furthermore, the directive therefore contradicts the principle of "subsidiarity" which envisages that "the action of the European Union in the area of public health fully respects the responsibility of the Member States...".

3. Mutual trust in the co-operation between Member States

How will the countries of origin properly be able to carry out the necessary checks, beyond their borders? Especially since these checks will need to be made on the basis of the legislation in the "country of origin".

Conclusion

Limiting our focus voluntarily to the arm of the directive, which is concerned with healthcare and personal care, we are very worried to see this directive including these two aspects within its remit.

In effect:

- Applying the directive in these sectors can bring with it very severe consequences for the health systems of the Member States
- The health sector is not the same other sectors where services are provided. It is not uniquely a contract which links and recognises only two parties, i.e. the service-provider and the client; there is also the role of the "State", which is responsible for the major part of the financing. This is a public responsibility, which should neither be negated nor placed under threat.
- **This is the reason why I believe it would be sensible for us to call for healthcare and personal care to be excluded from the scope of the directive.**

In making this proposal, the ESCU wishes to collaborate in the construction of a Europe, which is more focussed on social issues — a Europe for all Europeans.