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Employers and workers jointly criticise fundamentally flawed proposals for a European services e-card

Today, the European social partners of the cleaning, insurance and construction sectors jointly express their fundamental concerns about the legislative proposals on the European services e-card. They strongly question their real added-value to strengthen the European Single market.

The signatories confirm their support for fair competition in a well-functioning Single Market and for the freedom to provide services across the EU. But against this backdrop, they have serious concerns that the proposed services e-card will not contribute to this objective. On the contrary, it might even have counter-productive effects. In particular, it could facilitate bogus self-employment, undeclared work, fake posting and the non-respect of social/ labour regulations. In addition, the insurance related provisions would not work in practice and, at the same time, increase administrative burden for insurers and their clients.

Moreover, the signatories fear that the e-card will jeopardise and hinder legitimate national control measures in the host Member States, because home Member States are likely to simply confirm the information they provided for the e-card, instead of undertaking serious inquiries into whether or not a company is genuine or not. The Social Partners agree: "instead of addressing the problems we have been facing for years in our sectors, the services e-card might actually facilitate fraudulent practices and undermine fair competition".

The social partners in sectors where genuine companies and workers' rights are regularly confronted with fraudulent practices of all kinds have repeatedly called for better framework conditions to enforce existing rules and improve employment conditions. There is a risk that the proposed services e-card would reverse efforts in this area.

BACKGROUND:

On 10 January 2017, the European Commission published a number of legislative initiatives as part of its Single Market Strategy "Upgrading the Single Market: more opportunities for people and business COM(2015) 550 final". They include a Regulation (COM(2016) 824 final) introducing a European services e-card and a Directive (COM(2016) 823 final) on the legal and operational framework of the European services e-card. Many operational details are proposed to be regulated by the Commission's Delegated and Implementing Acts, following adoption of the legislative proposals.