

# Internal Market, Industry, Entrepreneurship and SMEs DG

## Kristian Hedberg

# Meeting with Catherine Piana Secretary General, Confederation of European Security Services (27.02.2015, 15h00)

### **BRIEFING NOTE**

#### Scene setter / Context:

Security Services was included in scope under the Commission's original proposal for a Services Directive, but it was taken out during the co-legislators deliberations. This carve out isn't challenged by any actions under the Internal Market Strategy, which doesn't address security services as part of actions on "business services".

Opportunity to hear what measures the security industry believes is needed.

Regarding regulated professions, CoESS might ask for the confirmation and/or upgrade of their professional status in the Member States (through regulation or otherwise); and promote harmonised training/requirements in the EU as a means to enhance security, cross-border movement and, indirectly, to help upgrade professional status.

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Name of main contact person: Telephone number: Directorate/Unit: Name of Cabinet Member:

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# 1. SERVICES IN GENERAL

## Line to take (LTT):

- In the context of the Internal Market Strategy the Commission will assess the remaining barriers for business services covered by the Services Directive.
- Note that the private security industry was always in favour of being excluded from the Services Directive [As confirmed by CoESS's position in the framework of the High Level Group on Business Services], and the Commission currently has no plans to change this approach under the Internal Market Strategy.
- Provided that the Internal Market Strategy will not address security services, ask what measures do CoESS are needed to improve the market for private security services.

Name of main contact person:

Telephone number:

Directorate/Unit: GROW.D.1

# 2. REGULATED PROFESSIONS

#### Line to take (LTT):

- We value your support to the European initiatives and understand that for you, adoption of European level standards is important.
- Fragmentation of the internal market is a major barrier to investments and the Commission aims to adopt an Internal Market Strategy for Goods and Services, in the fourth quarter of this year.
- Currently Member States are taking part in a mutual evaluation of their national regulatory frameworks regarding professions and are considering the adequacy of qualification requirements for all regulated professions.
- This mutual evaluation exercise steered by the Commission aims at helping Member States modernising their regulation where necessary, in order to facilitate access to the markets of professional services.
- In this context the adequacy of the existing regulations concerning inter alia the security professions has to be examined by the national authorities.
- The Commission will follow-up on national assessments and plans for reforms in regulation of professions as part of the renewed Internal Market Strategy.

Name of main contact person:

Telephone number:

Directorate/Unit: GROW.D.4

## 3. Defensives

Why aren't security services part of the Internal Market Strategy?

- When identifying priority sectors we focused on those that were (1) economically important and (2) lack market integration.
- (1) Security services are less important economically than the prioritised business services [security services represent around 3% of the business services sector compared to architects and engineers (13%) and legal and accounting (15%)].
- (2) The added value generated in Member States by companies controlled by other EU Member States is higher in security services (18%) than for example architects/engineers (8%) and legal/accounting (2%).

Furthermore, the Commission do not want to open up the Services Directive and review existing exemptions, such as the one for private security services. What actions is the Commission envisaging to take forward the mutual evaluation exercise with regard to regulated professions in the field of security?

Member States are due to present national action plans explaining the measures they intend to take to modernise existing regulation based on the assessments done in the mutual evaluation exercise. The Commission will evaluate those plans and see with Member States whether measures are sufficient to address observed disproportionate barriers to entry.

We are very interested in developing minimum training requirements at EU level. Could the Commission help us in this respect?

The revised directive on professional qualifications provides for the possibility to develop common training frameworks (CTF) or a common training test (CTT) at European level for a given profession.

However there are conditions to fulfil:

- The profession has to be regulated in at least 1/3 of the Member States
- The adoption of such CTP should enhance the free movement of professionals
- The common training principles (either CTF or CTT) adopted\_should gather the training or testing

requirements of at least one third of the Member States of the European Union.

- Common training principles (CTP) would enable persons having followed such training or passed such test to have their professional qualifications automatically recognised by Member States having adhered to these common training principles just like for the so-called sectorial professions (doctors, nurses, architects, etc.).
  - CTPs are voluntary. That means that CTPs shall not replace national training programmes unless a MS decides otherwise under national law.
  - CTPs would have no effect on existing qualifications and no retroactive effects.

Developing such measures for specific professions will be challenging and would require efforts and active involvement by the interested professions, training institutions, Member States and the Commission. Guidelines on process might be issued by the Commission in the near future, since these are novel instruments

## 4. Background

The Confederation of European Security Services (CoESS) is the European umbrella organisation for 26 national private security employers' associations. It represents 19 EU Member States and a total of 24 countries, which translates into some 60,000 private security companies employing a total of 2.2 million private security employees (see also http://coess.eu/).

#### Services Directive

- The proposal for the Services Directive (SD) was adopted by the Commission in March 2004. This was in the dying days of the Prodi Commission. Consequently, the Directive became a political football in the May 2004 EP elections and the May 2005 French referendum on the European Constitution. The proposal was harshly criticised by left-wing politicians for seeking to introduce a general "country of origin" (COO) principle. They considered this would lead to unfair competition between workers in different parts of the EU - hence the expression "Polish plumber" - resulting in social dumping. In addition, following a major debate health care was excluded from the sectors covered by the Directive. The debate was led by Socialists in the European Parliament, notably the then rapporteur Evelyne Gebhardt (S&D/DE - coordinator in IMCO today). Former Chair of IMCO and ECR MEP Malcolm Harbour was instrumental in negotiating a compromise on the Directive which helped preserve some of its market-opening effects. Following extended negotiations, a revised Directive - with a much reduced COO clause and a reduced scope of application - was approved in December 2006, with an implementation deadline in December 2009. By end 2011 all Member States had implemented the Directive with Austria, Germany and Greece being the last to do so.
- Through the implementation of the SD, Member States have had to cut red-tape, increase transparency in the market, eliminate unjustified or disproportionate requirements and set up business-friendly e-government portals that would allow business to complete administrative procedures online Points of Single Contact (PSC).

- The SD takes a horizontal approach covering a variety of economic activities representing 46% of EU GDP (mainly business services, construction, retail and real estate), while a number of important services sectors (e.g. financial, energy, transport, health care, security etc.) are excluded from its scope. Most of these sectors are covered by sector-specific legislation, such as transport, telecom and financial services.
- Private security services are excluded from the scope of the Directive, which
  includes: surveillance of property and premises, protection of persons
  (bodyguards), security patrols or supervision of buildings as well as the
  depositing, safekeeping, transport and distribution of cash and valuables. Services
  which are not "security services" as such, for instance the sale, delivery,
  installation and maintenance of technical security devices, are not covered by the
  exclusion
- The sector of private security services were always in favour of being excluded from the Services Directive. CoESS confirmed this position in the framework of the High Level Group on Business Services which discussed the untapped potential of various business services sectors and delivered its recommendations in April 2014.

#### On mutual evaluation

- The Commission has launched in its Communication of 2 October 2013 an EUwide mutual evaluation exercise of all regulated professions. The necessity and proportionality of regulations affecting the access to professions will be assessed by all Member States until January 2016.
- Each Member State is invited to examine on a case-by-case basis the regulations for access to each profession to ensure that regulation in place does not constitute undue obstacles.
- The mutual evaluation enables Member States to exchange and compare the practices in place in each country.
- On the basis of this analysis, Member States are invited to present a Action Plans first for a number of priority sectors (business services, construction, real estate, transport, industry and trade) and then in January 2016 for the other services sectors.
- On the basis of these action plans, the Commission will assess the need for follow-up actions.
- This process should lead to a revision of the conditions of access to certain regulated professions (e.g. reducing the level of qualification required or reducing the scope of reserved activities).
- There are currently 85 regulated professions in the field of private security notified by the Member States to the regulated professions database1

#### On CoESS

 The CoESS had ordered a comparative study on the legislative frameworks for the profession in 2002 that concluded among other things that "steps need to be taken to ensure greater comparability of the level of training received."

<sup>1</sup> http://ec.europa.eu/internal\_market/qualifications/regprof/index.cfm?lang=en

- It also mentioned that currently, not all Member States provide for obligatory training for operational staff and even where such requirements exist, the level of training received varies significantly. While some of these differences could be attributed to the different operational contexts of private security companies, a level of harmonisation appeared nevertheless desirable to ensure professionalism and freedom of movement. In an effort to create a basic minimum standard in this area, the social partners in the sector, CoESS and UNI Europa had developed a joint training manual, which could act as a baseline in this area, while not undermining more detailed provisions in the legislation of any Member State.
- Coess is partner in the METPROM project. METPROM stands for Modular Enhanced Training Programme for European Maritime Security Personnel. The main aim of the METPROM Project is to transfer the innovation already developed for the maritime security training and simulation based modules, in order to fill the security gaps created as the result of increasingly complex operational activities in ports which are vital for the timely conduct of shipping that more than 90 % of the world trade depend on.