

EU Services Directive – Analysis of Requirements

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The IT implementation of the EU's Services Directive contributes to the goal of creating the most competitive and dynamic knowledge-based economic region in the world by the year 2009. This paper will present the concept of points of single contact, cover topics such as the vision for these points in relation to the EU Services Directive, an analysis of necessary requirements for an architectural framework that takes into consideration the specific e-Government background of Romania.

Keywords: *EU Services Directive, Romanian e-Government, requirements, design, architecture, process, SOA.*

1 Introduction

The objective of the Services Directive is to make progress towards a genuine Internal Market in Services so that, in the largest sector of the European economy, both businesses and consumers can take full advantage of the opportunities it presents. By supporting the development of a truly integrated Internal Market in Services, the Directive will help realize the considerable potential in terms of economic growth and job creation of the services sector in Europe. For this reason, the Services Directive is a central element of the renewed Lisbon Strategy for growth and jobs. Moreover, by providing for administrative simplification, it also supports the better regulation agenda.

The Services Directive is a big step forward in ensuring that both service providers and recipients benefit more easily from the fundamental freedoms guaranteed in Articles 43 and 49 of the Treaty establishing the European Community – the freedom of establishment and the freedom to provide services across borders. In order to achieve this, the provisions of the Directive aim to simplify administrative procedures, remove obstacles for services activities as well as enhance both mutual trust between Member States and the confidence of providers and consumers in the Internal Market.

A thorough implementation of the relevant one-stop government concepts will have a no-

ticeable effect on the entire public sector in all member states (at the national, regional and local level) which will, in turn, influence the entire area of application of European services businesses. Core issues in this process include establishing Points of Single Contact, cross-border electronic administrative transactions, analyzing and optimizing existing administrative processes, as well as the operation, monitoring and continued development of process chains between business and government. Points of single contact and electronic processing will make a considerable contribution to the simplification of structures, processes and formalities.

In each case, the processes inside and between organizations as well as IT architecture options must be analyzed in relation to each other. For this reason, the EU Services Directive implementation confronts e-government with a tremendous challenge.

2. European Legislative Context

The EU Services Directive (Directive 2006/123/EG), which was passed in December 2006, should simplify access to the services market in all member states of the European Union and eliminate existing bureaucratic barriers for service providers, thus promoting cross-border services within Europe.

The concept of “service” is, in line with the EC

Treaty and the related case law of the ECJ, defined in a broad manner. It encompasses any self-employed economic activity which is normally provided for remuneration, as referred to in Article 50 of the EC Treaty. Thus, within the meaning of the EC Treaty and the Services Directive, in order to constitute a “service” an activity has to be a self-employed activity, i.e. it has to be supplied by a provider (which could be a natural or a legal person) outside the ties of a contract of employment; some services are however excluded from regulation in this directive. The directive must become national law in all EU states by December 2009. In order to achieve this, the governments and administrations of the member states have to complete a multitude of tasks associated with comprehensive modifications to business and administrative law.

The articles of the directive provide for the administrative simplification (procedures and formalities, use of Points of Single Contact through which information, assistance and electronic transactions are offered to EU-wide service providers), freedom of establishment and free movement of services for service providers, quality of services, administrative cooperation between member-states, and the review of legislation and mutual evaluation process.

As part of “One Stop Government” it is necessary to set up Points of Single Contact (Article 6) for service providers and to accompany them in all administrative processes during the entire life cycle from the cradle to the grave: from the start up of services activities and during the course of these services activities right through to liquidation[1].

These points of single contact should keep service providers from other EU member states informed about all relevant guidelines and responsibilities and also help with the processing of procedures and formalities in the public sector (Article 7). It is assumed that points of single contact in many member states will not only be assigned to foreign service providers: this service will also be offered to national busi-

nesses for politico-economic reasons[1].

Furthermore, public authorities at all administrative levels must ensure that the administrative procedures affected by the EU Services Directive can be electronically transacted (Article 8). The authorization procedures and formalities (Article 13) must be simplified so that applications can be processed promptly and within a predetermined and publicized time-frame. If an application is not processed within the time limit, authorization is granted. A legislation screening, in which all governments are required to scrutinize the available rules, procedures and formalities (Article 5) in relation to the directive in terms of necessity, simplicity and optimization should, in addition, have an enduring effect by contributing to the dismantling of bureaucracy[1].

To support the EU’s internal services market, the EU member states must ensure that public administration bodies cooperate with each other. Furthermore, with the internal market information system (IMI), administrative assistance between the member states (Articles 28 and 29) should be guaranteed in electronic form. The Internal Market Information System (IMI) is a database-driven system designed to help the various public administration bodies in the EU member states to work together and exchange information. It is financed and developed by the European Commission. In a first step, the IMI is being realized for the mutual recognition of professional qualifications in accordance with Directive 2005/36/EC. For the pilot phase, which started in March 2008, the respective approbation and licensing agencies of all member countries were registered in the database for the four pilot professions physician, pharmacist, physical therapist, and tax consultant/certified public accountant[1]; it is planned to expand the IMI gradually to other professions. The goal is not only to foster collaboration, but at the same time to improve the monitoring of service providers by the controlling agencies (e.g. to combat the misclassification of employees as independent contractors).

[1]

3. Point of Single Contact: General Requirements and Conceptual Alternatives

Discussions about how to design Points of Single Contact are occurring in different ways in the various EU member states. The respective national lawmakers are interpreting the EU Services Directive according to their own agendas and their legal framework within national law. The EU Commission produced a handbook (European Commission 2007) for the implementation of the EU Services Directive in autumn 2007. Nonetheless, within the European Union some of the ideas for the design of points of single contact are quite dissimilar. This stems back to the various players who have been entrusted with implementing this and their visions as well as their financial and personnel capacities.

The vision for points of single contact should be made concrete in terms of the directive from an academic viewpoint and be embedded in existing models. This is important, because all administrative theoretical models and information technology models associated with the service directive are extremely significant for the approaching implementation [2].

The European Internal Market for services should improve with the EU Services Directive, as it will simplify access to the other member states' markets for service providers and promote cross-border provision of services.

Bureaucratic obstacles which hinder the freedom and establishment of services should be eliminated with the realization process.

Until now, if a service provider wanted to provide services in another member state this may have required multiple administrative paths dependent on the sphere of service activity. As a rule, departments and public authorities are only responsible for very specific tasks and for specific regions. The division of administration into material and localized responsibilities leads to multiple collections and redundant saving of data both from service providers and about services providers. This causes additional work and sometimes creates inconsistent da-

tabases. This fragmentation within the public sector creates additional time and energy expenditure. Effort, energy and money are required to overcome this problem. For many service providers a lot of things are unclear, such as which processes and formalities are actually necessary for their services activities and which government departments they must track down for explanations, notifications, authorizations, enrollments and registrations.

With the establishment of points of single contact, the member states should ensure that service providers can carry out all procedures and formalities related to the start up and carrying out of services activities through a point of single contact by the end of 2009.

This should support service providers in bringing their services to other member states by acting as advisor, pilot and mediator of basic information, by preparing, receiving and forwarding procedural correspondence and making it understandable by taking over coordination tasks such as sharing information about changes and notifying them of compulsory notifications that are relevant for the authorization process.

The vision for points of single contact reaches beyond regional and national administrative barriers and responsibilities. Points of single contact must be in the position to help the service providers with information and their procedural correspondence with administration authorities outside their local area of responsibility. Thus a point of single contact should also be in the position to communicate with public authorities. Service providers also wish to be informed about existing advisory, support and qualification services from business, chambers, banks and other organizations.

3.1. Integration in Administration Portal Models

"Portals" should be seen as easy to use, secure and personalisable access systems through which the user, dependent on their respective access authorization, can gain access to information, applications, processes and people that are available on the systems made available

through the portal.

Access to the portal can take place via various media and access channels in accordance with the "multi channel principle"[2] (legitimate alternative usage of either e-mail, internet, telephone, regular mail or fax). Mediators of voice based telephony, personal and written channels can access this portal at any time and insert services and applications for their own use. This network of distribution channels enables multi-channel management, allowing all distribution channels to be of a similar quality.

3.2. Integration in the One-Stop Paradigm in e-Government

In theory, customers should be able to complete their requests without any disruptions and in a single transaction. Services proposal will be comfortable, user friendly and designed specifically for customers. For personal customer support, points of contact in the form of customer service agencies should be set up.

These considerations can be taken on by the public sector at a basic level. Here too it would be possible to reduce the number of contacts for citizens and businesses when it comes to administrative matters and offer administrative services from one source. The concept of bundling administrative tasks in one place and in one procedure will be subsumed by the term "One-Stop Government" - OSG irrespective of whether they have been effectively produced or if they were created by more than one organization[2]. With OSG the aim is to integrate various administrative services via one point of contact, irrespective of which administrative agency belongs to which government.

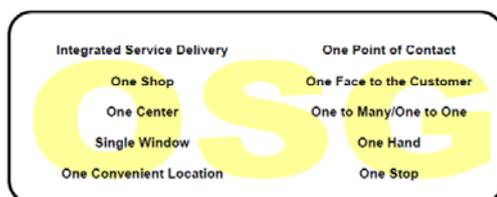


Fig.1. OSG related concepts

These points of single contact ("One Shop"/"One Center") or this "Single Window" in the course of a procedure should be easy to reach for citizens and businesses ("One Con-

venient Location"), and in a real or virtual place where possible ("One Point of Contact"). A contact person ("One Face to the Customer") enters various data which is necessary for contact with the administration agency[2].

Based on these entries, they can either offer citizens specific public services out of one hand which are suitable for their target group ("One to Many") or are tailored to their individual situation ("One to One"). No data mismatches, dead time or disconnections should occur during the mutual dialogue, thus in the ideal scenario a singular contact ("one stop").

Thus OSG proposals can be developed for specific target groups or to suit current topics. The temporal and spatial opening up of these proposals allows for greater flexibility. In an ideal scenario, a comprehensive proposal would be available and on call any time and anywhere[2].

3.3. Integration in the Front Office and Back Office

The concept of a point of single contact is also suitable for the "front office" and "back office" models, into which the existing public administration structures can be broken up. A strict separation can be conducted between the front office used for citizens and client contacts on one side and the back office for actual processing and for offered services on the other side.

Traditionally, as the public authorities were the providers of administrative services, they also distributed them (with each public authority having its own distribution channels). As a rule this is done with counter services as well as information and consulting services.

Processes are divided in order to separate front and back offices' production processes (administrative work and decisions) and distribution. True interaction between citizens and administrative authorities occurs at counters and front desks. Applicants will receive advice from employees who have been specially trained in customer services. They will help to fill out forms and accept these forms directly from the applicants. If the existing areas of responsibili-

ty continue with points of single contact and the EU Services Directive, front offices will simply keep in touch with the applicant and contact them if there are further queries and requests that have to be verified. When these administrative procedures have been completed, the authorized front office person will inform the applicant of the decision or hand over the administrative office's final product.

Administrative departments in the back office can fully concentrate on their core tasks with the help of these organizational structures.

Front offices, on the other hand, are aimed directly at satisfying citizens' and clients' needs. Separation into front and back offices has further advantages. Front offices create close contact with citizens. They can recognize weaknesses in administrative organizations; make changes to entitlement and sense citizens' dissatisfaction at an early stage. Armed with this knowledge, they can react in a quick and flexible manner. This knowledge of the general public's needs and the needs of businesses makes a kind of holistic support possible [2].

Preparations for the vision leading towards the creation of points of single contact who will be integrated in administrative portal models, one-stop government and front office/back office models will have a powerful influence on which of the organizational and technical design options will play a role in the 27 national implementations in the European Union [2].

4. Conclusions and Outlook

Besides requiring Member States to take concrete legislative measures, the Services Directive asks them to put in place a variety of practical measures such as points of single contact for service providers, electronic procedures and administrative cooperation. It also introduces innovative instruments, such as the review of national legislation and the process of mutual evaluation. If implemented properly, these will continue to further the development of the Internal Market for Services well beyond the Directive's implementation deadline. It is indeed clear that the Services Directive will not just require a one-off act of im-

plementation but will also trigger a dynamic process, the benefits of which will unfold over the years.

The directive will definitely be extended with complementary measures on other domains (i.e. in the banking, payment and financial domain, taxation etc.). Its complete implementation will probably be followed in 2010-2013 by an even more ambitious plan in the services area (focused on cross-border identity and trust, and on inter-state cooperation).

A newly created association dedicated to applied research on electronic services (e-CAESAR, Center for Advanced Studies on Electronic Services, <http://www.e-caesar.ro/>) was created to strengthen the cooperation between Academy of Economic Studies (ASE), Politehnica University of Bucharest (UPB), and the German Fraunhofer Society. Fraunhofer FOKUS Institute is Germany's leading technological think-tank on major e-Government projects - from requirements, analysis, design, simulation, pilot-project and proof-of-concept implementations, to practical scenarios and tests; having good contacts and close bonds Europe-wide with other research centers, the German Institute brings its expertise on EU-Services Directive and e-Identity Management on national and European level.

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