

# CEPLIS TELEGRAM



European Council of the Liberal Professions

Coudenberg 70

1000 Brussels

Belgium

Tél.: + 32 2 511 44 39

[ceplis@scarlet.be](mailto:ceplis@scarlet.be)

<http://www.ceplis.org>



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## Challenges of the Portuguese Presidency of the Council of the European Union

Portugal took over the rotating Council Presidency on 1<sup>st</sup> of January 2021, amidst a health and economic crisis. This month, they had the opportunities to detail their plan of action.

On the 18<sup>th</sup> of January, the first formal meeting of Ministers for European Affairs took place by video conference and was chaired by the **Secretary of State for European Affairs, Mrs. Ana Paula Zacarias**, from Brussels. She presented the priorities of the Portuguese Presidency: 1) Promoting the economic recovery of the European Union through climate and digital transitions, 2) Implementing the European Pillar of Social Rights in such a way that nobody is left behind and 3) strengthening the strategic autonomy of a European Union open to the world.

One of the main issues during the meeting was the negotiation between the European institutions regarding the **Conference on the Future of Europe**. A joint declaration is expected to be made by the European Parliament, the Council of the European Union and the European Commission. **Mrs. Ana Paula Zacarias** recognized the importance of “*moving forward rapidly and pragmatically to resolve the governance problem*” of the Conference, reiterating the Portuguese Prime Minister’s desire to see this issue settled in the near future. As a reminder, this Conference is of a paramount importance. The purpose is to see the aim of looking at medium to long term future of the Europe Union and which reforms should be made to its policies and institutions.



*Mrs. Ana Paula Zacarias,  
Secretary of State for European  
Affairs.*

On the 20<sup>th</sup> of January, **Portugal’s Prime Minister António Costa** discussed his country’s programme for the next six-month presidency with the MEPS. Given the current challenging times, Portugal is committed to promote a resilient, social, green, digital and global Europe. In his speech in front of the European Parliament, **Prime Minister António Costa** stated that completing successfully the vaccination campaign against Covid-19 and achieving economic and social recovery (based on the digital and climate transitions) are the major challenges for the Portuguese Council Presidency. He also urged Member States to work closely together to achieve these goals. **Mr. Costa** pointed out that international solidarity will be a key to vanquish the virus.



*Portuguese’s Prime Minister António Costa*

The Portuguese Presidency will focus on adopting the European Climate Law. On its agenda, we can also find other goals:

- The advancing on the Digital Services Act package
- The delivering on the European Pillar of Social Rights
- The strengthening of international partnerships (especially with the UK, the USA and Latin America.

**Prime Minister Costa** also announced that Portugal will also host an EU-India Summit in Porto, on digital issues,

trade, investment, pharmaceutical products, science and space.

The reactions were numerous. **Mrs. Ursula von der Leyen, President of the European Commission**, welcomed the Portuguese Presidency's focus on social issues and said that the Commission will update its industrial strategy to help create "*quality jobs in the post-pandemic world*". She also stated that the green, digital and fair recovery must be a jobs' recovery.

MEPs broadly supported the proposals of the Portuguese Presidency. They highlighted the economic and social emergency caused by the COVID-19 crisis, condemned unilateral actions by Member States regarding vaccinations, and asked that recovery plans focus on creating jobs and reducing inequalities. EU aid for recovery should help in the green and digital transitions as well.

According to **MEP Paulo Rangel** (EPP), the three priorities that will dominate the agenda of the presidency are the "*launch of the recovery fund, the vaccination strategy and future EU-UK relations*". He underlined the importance of the social pillar, which "*should focus more on health*", and of the EU-India summit. The Conference on the Future of Europe and the new strategy for Schengen along with the EU Migration Pact "*deserve more attention*" from the presidency, he added.

**MEP Marisa Matias** (the Left) said that "*social Europe, the green transition and the digital transition are the right priorities and in line with the challenges*" currently being faced by the EU. However, she added that "*Europe is experiencing moments of deep division*" and is struggling to provide solutions to the structural challenges. "*There are fewer and fewer opportunities to make sense of the European project and none can be missed,*" Matias said, adding that she hopes that "*the Portuguese presidency will not get lost behind its intentions*".

## Fifth Annual Report on the liberal professions in Italy

The 26<sup>th</sup> of January, **Confprofessioni** presented its “V Annual Report on the liberal professions in Italy” edited by the **Liberal Professions Observatory of Confprofessioni**, coordinated by **Professor Paolo Feltrin**, and presented in Milan in live streaming. This event was attended by several prestigious guests such as the **Deputy Minister of Economy, Mr. Antonio Misiani**; the **Undersecretary for Labour, Mrs. Francesca Puglisi**; the **Vice-president of the Chamber's Finance Commission, Mr. Alberto Gusmeroli** and naturally, by the **President of Confprofessioni and CEPLIS, Mr. Gaetano Stella**.



*President Stella in live during the presentation of the V report on the liberal professions in Italy*

The Covid-19 pandemic has wiped out 30,000 liberal professionals off the market in Italy. According to the survey ordered by **Confprofessioni**, the Covid-19 crisis accelerates the crisis in the sector of self-employment, which is about to lose about 170,000 jobs in one year. The liberal professions' sector is still standing. However, 1 million young workers are missing from the appeal.

With over 1.4 million members of professional associations, Italy is confirmed as the country with the largest number of professionals in Europe. The areas of health, veterinary and scientific activities are growing, but the administrative professions, those of trade/finance and the technical area are retreating.

With over 30 million euros disbursed, the interventions of the confederal system have supported the professional firms affected by the lockdown. Nevertheless, Italy is facing a structural transformation of independent work according to **President Gaetano Stella**. The liberal professionals have to “save themselves”. The shock wave caused by the Covid-19 pandemic breaks down on the liberal professions. In the first semester of 2020, over 30,000 liberal professionals (mostly women) left their businesses due to the crisis. In addition, over 170,000 self-employed workers out of a total of 1.5 million autonomous workers had to do the same according to the data updated in May 2020. The most affected professional sectors are those related to trade, finance and real estate with a decrease of almost 14% in the first

quarter of 2020. Significant contractions are also recorded among the liberal professions in the technical (-5.7%) and administrative (-2.5%) sectors.

The state of economic emergency for liberal professionals is also confirmed by the massive use of support measures implemented by various instruments launched during the pandemic. In April 2020, the professional pension funds accepted over 400,000 applications for the €600 indemnity, introduced by the “Cura Italia” decree. The categories that have made greater use of the allowances are psychologists and surveyors, with a percentage of applications above 60%. Lawyers, engineers, architects and veterinarians follow with applications up to 50%. All the other categories are below 40%, while at the bottom, we can find almost all the health professions and notaries, at 12%.

All these numbers represent the situation of the professional sectors that is described in the V Report on the liberal professions in Italy.

**President Gaetano Stella** added that this decline must also be assessed by keeping an eye on the long-term dynamics. For structural reasons, he explained that in the last decade, independent work was already under pressure with a loss of 735,000 workers and was hit by a silent internal revolution in regard of the flows of entry and exit in the market. “In the younger age groups, almost 1 million people are missing: a collapse only partially offset by the older age groups and new graduates (over 372 thousand), who usually rank among the liberal professionals” noted **President Stella**.

You may find the report [here](#).

## Free movement of services in the European Union

On the 20<sup>th</sup> of January, the European Parliament adopted a Resolution on the free movement of services. The institution insisted that all Member States should respect EU rules on the free movement of services.

MEPs called on the Commission to ensure enforcement and compliance with the Services Directive in Member States, in order to reduce existing barriers and allow cross-border services. They assert that fragmentation and issues with implementation, cost the EU around 297 billion EUR, which corresponds to 2% of EU GDP.



Services account for 73% of the EU GDP and contribute to 74% of employment. As many as 9 out of 10 new jobs in the European Union are created in the services sector. At the same time, the share of services in intra-EU trade is only around 20%, generating just 6.5% of EU GDP. The resolution also emphasizes that free, fair and safe movement of services and people, consumer protection, and the strict enforcement of EU law is vital for tackling the economic crisis caused by the COVID-19 pandemic. MEPs therefore urge Member States to ease unjustified and disproportionate barriers and to not use COVID-19 as justification for limiting the free movement of services.

*"We are facing a terrible economic crisis in Europe. There is an urgent need to boost the European economy, and this report presents a solution: to complete the single market for services. The potential is enormous. It could lead to the creation of thousands of jobs and generate billions in revenue across member states. We have reached a strong and broad compromise in Parliament and it is now essential to complete the single market in order to counter the economic crisis. It is now up to the Commission and the member states to act"* said **Rapporteur Morten Løkkegaard**.

The Resolution points out that cross-border provision of services is often hampered by various obstacles, including the lack of user-friendly information, **failure to mutually recognize or compare professional qualifications**, limited access to regulated professions, unfounded territorial restrictions, language requirements and administrative barriers for public procurement. MEPs stress that the special status of services of general interest remains fully recognized; however, the rules should not be misused by Member States that sometimes unjustifiably hinder access to certain sectors. MEPs want to see the single digital gateway become more citizen- and SME-friendly and the point of single contact developed into fully functioning portals that provide all the necessary information on business-related requirements which a company must comply with in the relevant Member State (e.g., professional qualifications, VAT rules, registration requirements, reporting obligations).

At the same time, MEPs emphasize the need to balance economic freedoms, social rights and the protection of consumers, workers, and business interests. The development of the single market should also further improve consumer and workers' rights.

## Teleworking and gender equality

On the 15<sup>th</sup> of January, the European Economic and Social Committee held a conference on teleworking and gender equality. A panel of participants discussed the conditions so that teleworking does not exacerbate the unequal distribution of unpaid care and domestic work between women and men and for it to be an engine for promoting gender equality.

The event was attended by **Mrs. Sandra Ribeiro, President of the Commission for Citizenship and Gender equality** (representing the Portuguese presidency of the Council), **Mrs. Karen Vandekerckhove, Head of Unit “Gender Equality”**, DG Just, European Commission, **Mrs. Evelyn Regner**, Chair of the FEMM Committee, European Parliament. Several experts also participate during this online meeting. CEPLIS was able to participate in this event through our Policy Advisor Jr. Mr. Juste Rema.

The impact of the (short and longer term) socio-economic effects of COVID-19 fall disproportionately on women according to **Mrs. Evelyn Regner**- particularly women with small children and single mothers. Teleworking in a time of social distancing and lockdown is proving to be burdensome for many working mothers as they juggle work, home-schooling and care work.

Women have absorbed most of the informal and unpaid care in the COVID-19 pandemic due to persisting social norms and decisions related to pay according to Katharina Mader’s research. More often than not, it is social norms and stereotypes that overrule even economic reasoning. Women therefore face an increased emotional, mental and social burden. Women’s economic empowerment will likely continue to be significantly affected in the coming months and years due to the sector wide effects of COVID-19.

In her presentation, the chair of FEMM Committee explained that many women reduced or left employment for the duration of lockdowns and often don’t return. Previous research has shown that even when both parents work at home, working at home leads to a gendered division of labor. Result: women’s childcare and other domestic responsibilities have increased during lockdown, and many women have been doing so whilst trying to undertake paid employment.



**Mrs. Evelyn Regner** exposed her recommendations (that summarize the most of her colleagues’ recommendation):

- Employers must recognize the distribution of domestic labor within households and how it impacts paid employment
- Redundancy protection on account of childcare responsibilities should be mandatory.

- As COVID-19 related home working and quarantine may continue for a number of months, social and financial protection, such as children allowance, or paid parental leave must be provided to families.
- Ensure governments focus stimulus and/or bailout packages on those sectors which have been disproportionately affected by COVID-19 shutdown.
- Care deal: create qualitative jobs in all care sectors, which would contribute to the green deal as well as closing the gender pay and pension gap and have a positive impact on society when lifting care into a priority level and give it the recognition it should get.

**Mrs. Mary Collins, Senior Policy advisor and advocacy coordinator** added that there is an urgent need of legislative framework. Teleworking is not new but has been left to the discretion of individual arrangements and therefore carries the risk of ‘escaping’ from formal collective labor relations and collective bargaining mechanisms. Issues relating to health and safety at work, labor inspectorates, need to be addressed to ensure that the collective responsibility of employers are not transferred onto individual workers. Although the European Pillar of Social Rights does not mention teleworking, it would be timely to address this in the Social Summit, under the Portuguese Presidency, in May 2021 from a gender equality perspective.

In conclusion, teleworking is tending to become more permanent in the labor market. It could seriously affect working conditions, especially for women, with extendable hours. At the same time women are taking on domestic care and tasks. Finally, steps should be taken to comply with the law by strengthening controls on respect for working hours and on promoting healthy and secure working conditions and rest times in accordance with labor law.



## News in Brief

### Digital Service Act

On 11 January 2021, the Committee on Internal Market and Consumer Protection (IMCO) held an exchange of views on the Proposal for a Regulation on the Digital Services Act, which was published by the Commission on 15 December 2020.

The overarching objective of the proposed Regulation is to ensure the proper functioning of the internal market, in particular in relation to the provision of cross-border digital services (more specifically, intermediary services). In line with this objective, the proposal aims to ensure harmonized conditions for innovative cross-border services to develop, by addressing and preventing the emergence of obstacles to such economic activity resulting from fragmented national legislation and moderation practices. At the same time, the proposal provides for the appropriate supervision of digital services and cooperation between authorities at Union level, therefore supporting consumer trust, innovation and growth in the internal market. IMCO Members will have the opportunity to discuss with the Commission the proposal and its impact assessment in detail.

On the 22th of January, the EP single market coordinators have just decided that the digital service act will be allocated to the Progressives of the European Parliament.

You may find more information [here](#).