

Cross-border services boost growth – study says



According to the new study commissioned by the European Economic and Social Committee, cross-border services generate new jobs and economic growth. They are positive for all EU countries, for different kinds of jobs – both labour and knowledge intensive. The document proves that avoiding strict regulation in the cross-border services internal market is beneficial for the EU economy. A reduction of the share of cross-border services by 1 % would cost the EU economy around 8 billion euro.

In 2014, almost 11 million jobs in the EU were based on export of cross-border services. Since 2000, the number of employees dependent on cross-border services has almost doubled. While total employment in the EU grew by 5.5 %, employment dependent on cross-border service has risen by 94 %. This clearly shows a positive impact on the EU economy. Countries with a higher share in cross-border services have registered much stronger growth in employment and GDP than countries less involved in the cross-border service market.

The study proves that cross-border services are neither social dumping nor a danger to the economies of the Member States. Ever-harsher regulation of cross-border services would have a negative impact on the economy and would

endanger the integrity of the single market, said **Peter Clever**, Vice-President of the Employers' Group.

According to the document – contrary to public perception – 3 in 4 cross-border jobs are located in the EU-15 states. Almost 40 % of the postings of workers occurred from one high-wage country to another. This clearly shows that the economies of all EU Member States benefit from cross-border services. In 2014 the total value added dependent on the exports of cross-border services was 625 billion euro in all 28 Member States.

Moreover, cross-border services are not limited to labour intensive, low-paid jobs. The share of jobs in knowledge intensive sectors dependent on cross-border services has grown nearly as much as the share of labour intensive jobs.

The research also suggests that countries with a higher share of cross-border service on average have a lower ratio of people at risk of poverty and social exclusion and register higher levels of happiness and satisfaction with life.

The study was prepared by German think-tank IW Consult and was commissioned by the European Economic and Social Committee on the request of the Employers' Group. The document can be downloaded here:

<https://europa.eu/!yQ36mK>.