

Contents

1	Introduction	1
1.1	Background	1
1.2	The Subject of This Study	6
1.3	Structure of the Study: A Dualistic Approach	9
1.3.1	Introduction	9
1.3.2	Part I: Points of Departure	10
1.3.3	Part II: Legal Positivist Approach	11
1.3.4	Part III: Contextual Approach	13
 Part I The Services Directive, its Implementation and Legal Foundation		
2	Background to the Harmonisation of the Free Movement of Services	19
2.1	Introduction	19
2.2	Specific Characteristics of the Free Movement of Services	20
2.2.1	Introduction	20
2.2.2	Regulatory Competition Within the Union	20
2.2.3	Home-State or Host-State Control	22
2.3	Background to the Adoption of the Services Directive	24
2.3.1	Introduction	24
2.3.2	Initial Proposal of the Services Directive	25
2.3.3	Modified Proposal	30
3	Transposing the Services Directive	33
3.1	Introduction	33
3.2	Obligations Provided by the Services Directive	35
3.2.1	General Legal Framework	35
3.2.2	Administrative Simplification	36
3.2.3	Establishment of Service Providers	36

3.2.4	Free Movement of Services	37
3.2.5	Quality of Services	38
3.2.6	Administrative Cooperation	39
3.2.7	Convergence Program	39
3.3	The First Phase: The Screening Process	42
3.3.1	Generally	42
3.3.2	The Swedish Transposition Process	43
3.4	Second Phase: Mutual Evaluation	48
3.5	The Evaluation Process: From a Swedish Perspective	51
3.6	Implementation Throughout the Union	53
4	The Services Directive as Legislative Tool	57
4.1	Introduction	57
4.2	Directives as Binding Instruments of Legislative Action	57
4.3	Harmonisation Models of the Internal Market	60
4.4	Positive and Negative Integration Through Harmonisation	62
5	National Regulatory Autonomy Versus Conferred Powers in the Services Directive	65
5.1	Introduction	65
5.2	Sovereign Nation States	66
5.2.1	Sovereignty	66
5.2.2	Europeanization	68
5.2.3	Regulatory Constraints	69
5.3	Effects on the National Regulatory Autonomy Versus Conferred Powers	70
5.4	Legal Foundation of the Services Directive	73
5.5	Characteristics of the Services Directive and Its Legal Basis	76

Part II The Services Directive in the Role of a Traditional Directive

6	Bases for Defining the Scope of Articles 49 and 56 TFEU and the Services Directive	81
6.1	Introduction	81
6.2	Beneficiaries of Free Movement	83
6.3	Internal Matters	86
7	Scope and Effect as Defined by Restrictiveness and Justifications	93
7.1	Introduction	93
7.2	Interrelation Between Restrictiveness and Justification	95

7.3	The Boundary of the Scope of Articles 49 and 56 TFEU	99
7.3.1	Introduction	99
7.3.2	Effect, in Law and in Fact.	103
7.3.3	Direct Discrimination	108
7.3.4	Indirect Discrimination	110
7.3.5	Non-Discrimination.	112
7.3.6	A Wide Scope	113
7.4	Justifications: Article 52 TFEU and the Public Interest	114
7.4.1	Introduction	114
7.4.2	The Range of Justifications in a Specific Case.	116
7.4.3	Establishing Balance.	121
7.5	Articles 14, and 16(1) of the Services Directive	124
7.5.1	Introduction	124
7.5.2	“Restrictiveness”	128
7.5.3	“Non-Discrimination”	129
7.6	Concluding Remarks.	131
8	Definition of “Measures” and “Requirements”	135
8.1	Introduction	135
8.2	Parties Responsible for Securing the Free Movement	137
8.2.1	Introduction	137
8.2.2	Direct Effect	137
8.2.3	State Parties.	140
8.2.4	Private Parties	149
8.2.5	The Scope of Articles 49 and 56 TFEU	156
8.2.6	The Scope of Article 4(7) of the Services Directive	157
8.2.7	Concluding Remarks.	158
8.3	Types/Kinds of Measures or Requirements	159
8.3.1	Introduction	159
8.3.2	“Measures”: Articles 49 and 56 TFEU	160
8.3.3	“Requirement”: Article 4(7) of the Services Directive	164
8.4	Fields of Law Exempted from Union Competence	166
8.4.1	Introduction	166
8.4.2	Fields of Law (Not) Exempted from the Scope of Articles 49 and 56 TFEU	166
8.4.3	Fields of Law Exempted from the Scope of the Services Directive	172
8.5	Concluding Remarks.	173
8.5.1	Articles 49 and 56 TFEU	173
8.5.2	Article 4(7) of the Services Directive	175
8.5.3	Definition of “Measures” and “Requirements”	176

9 Scope of “Service Activities”	179
9.1 Introduction	179
9.2 “Services” Within the Meaning of the Treaty	180
9.2.1 Defining “Services”	180
9.2.2 Applying One or the Other of the Free Movements	183
9.2.3 The Economic Nature of Services and Service Providers	186
9.2.4 Specifically Regulated Forms of Services	196
9.2.5 Exempted Service Activities	197
9.3 Service Activities Within the Scope of the Services Directive	199
9.3.1 Extended Exemptions	199
9.3.2 Defining the “Economic Nature” of Services	200
9.3.3 Exempted Forms of Service Activities	203
9.3.4 Case C-57/12: <i>Femarbel</i>	213
9.4 Concluding Remarks	218
10 Conclusion Part II	219
10.1 Introduction	219
10.2 A Narrow Interpretation	220
10.3 A Wide Interpretation	221
10.4 Constitutional Issues	223
10.4.1 The Principle of Conferral of Powers	223
10.4.2 Inappropriate and Inadequate?	227
10.4.3 Consequences	227
10.4.4 The Court Must Take a Stand	230

Part III Contextual Understanding of the Services Directive

11 New and Multi-Level Governance Within the Union	233
11.1 Introduction	233
11.2 The Concept of Governance Within the Union	233
11.3 Modes of Governance Within the Union	235
11.3.1 Introduction	235
11.3.2 The Community Method	236
11.3.3 New Modes of Governance	238
11.3.4 Mutual Recognition and Open Method of Coordination	240
11.4 Concluding Remarks	243

Contents	xiii
12 Contextual Understanding of the Services Directive	245
12.1 Introduction	245
12.2 A Supranational Organisation Moving Towards Intergovernmentalism	246
12.3 Effects of a Proactive Court.	252
12.4 Pushing for Supranational Decision-Making and New Governance	254
12.5 A “New” Approach: Goods and Services	257
12.6 Free Movement of Persons	258
12.7 Conceptual Definitions	259
12.8 New Governance	261
12.9 The Services Directive	263
13 The Services Directive Constituting Simply Policy	267
13.1 Introduction	267
13.2 Generally Harmonising the Free Movement of Services	268
13.2.1 Regulating the Free Movement of Services in a Limbo	268
13.2.2 Questions Raised by the Regulatory Solutions Established in the Services Directive	271
13.3 The Aspiration of Services Directive	272
13.3.1 A New Regulatory Approach.	272
13.3.2 New Governance Instruments.	272
13.3.3 The Core of Articles 14, 15, 16 and 4(7).	273
13.3.4 Consequences of the Procedures Prescribed by the Services Directive.	275
13.3.5 Balancing Interests	277
13.4 The Services Directive Introducing a Strategy and New Governance	278
13.4.1 Horizontal Cooperation	278
13.4.2 Contextual Interpretation of Articles 14, 15, 16 and 4(7).	280
13.4.3 The Services Directive is Ill-Drafted.	281
13.5 The Services Directive: Simply Policy	282
References	287
Documentation	295