



9 September 2009

BUSINESSEUROPE'S MEETING WITH DG MARKT ON PRIORITIES FOR THE SINGLE MARKET 9 SEPTEMBER 2009

1. Priorities on the single market policy

A better functioning EU Single Market is key to the recovery of the European economy and to create the conditions for more growth and jobs.

The current economic crisis highlights the need to stick even more to the Single Market principles and to resist economic protectionism both at national, EU and global levels.

The revised Lisbon Strategy has to unlock Europe's growth potential including more investment in research, development and innovation, implementation of the better regulation agenda and further integration and better functioning of the single market.

Much has been done in creating the single market legislative framework. More focus should be placed towards enforcement and implementation of existing rules and standards as well as information and awareness-raising. To that end, the role and cooperation of Member States are indispensable.

BUSINESSEUROPE's priorities in the Single Market are:

- Better regulation: mainly simplification of existing legislation and reduction of administrative burden, better use of impact assessments and coherence between various policies.
- More effective enforcement via better administrative cooperation between national enforcers and more efficient problem-solving mechanisms especially non-judicial tools.
- Promotion of innovation and knowledge: better framework for IPRs, mobility of researchers, more investment in R&D and better use of ICT and standards.
- Better information and communication particularly on the benefits deriving from EU Single Market legislation targeting citizens and SMEs.
- Strong role of the Commission and DG Markt in particular in supporting the Single Market, removing existing barriers to the four basic freedoms and avoiding new ones and fighting protectionism vigorously.



- Increased role of Member States: even transposition of EU rules, effective and more equivalent enforcement of Community law, better cooperation between regulatory, supervisory and enforcement authorities.
- Special attention to strategic areas like efficient network industries, services in particular transposition of the services directive and financial services, transport telecommunications, company law, tax or accounting issues. The potential of partnerships between public and private sector for innovation and research and in particular for the delivery of high quality public services should also be addressed. Public-private partnerships can help public authorities meet today's energy, climate and societal challenges and the need to control public deficits.

2. Enforcement

Member States do not do as much as they should to ensure effective enforcement of Community law.

The infringement procedures and the use of comparative reports and scoreboards carried by the Commission are necessary and helpful but not sufficient.

Other means are needed to create a truly effective partnership and cooperation between the various national and EU actors who play a role in the functioning of the Single Market.

While the EU transposition deficit stays around 1%, latest reports¹ show that the number of infringements of Community laws by Member States especially big ones like Italy, Spain, France or Germany are still too high particularly in the areas of taxation, customs and the environment.

Improvement is needed in the way Member States carry out transposition, application, and enforcement of Community legislation.

It is also important that citizens and companies have easy, uncostly and quick access to mechanisms to solve problems they may encounter in the Single Market.

We support the Commission's increasing focus on enforcement and the recent Recommendation on "Measures to improve the functioning of the Single Market" (the "Partnerships Recommendation") of 29 June 2009. We welcome in particular the following recommendations:

- A Single Market coordination agency should be created within national administrations. This body would act as the entry point for addressing internal market issues within the administration.

¹ Internal Market Scoreboard, July 2009, N°19.



- Improved monitoring of the various markets and sectors in order to identify any market failures. Market monitoring coupled with collection of relevant data should become an integral part of planning and monitoring internal market policy.
- In the framework of supervision of the Single Market, closer cooperation between officials from different member states including regular assessment of national legal provisions, and improved transposition and enforcement of directives (good examples: Consumer Protection Cooperation Network or the Services Directive).
- Member States should ensure that citizens and companies have access to transparent, simple and affordable procedures for alternative dispute resolution.
- Problem-solving mechanisms at Community level such as SOLVIT should be further promoted and used.

However, more efforts are needed to:

- provide adequate financial and human resources;
- promote exchange of enforcement officials and of best practices;
- provide training on EU affairs for officials in particular on cross-border enforcement;
- provide, for any new legislation, for transposition and implementation measures such as guides, expert groups, seminars, etc;
- use IT-based solutions to improve enforcement (exchange of information and data, rapid reaction/alert systems, electronic tools (e-forms), etc)
- ensure adequate involvement/consultation of representative stakeholders both in elaboration of enforcement/implementation reports or in the discussions in existing Advisory and Technical Committees and other National Experts Groups.

3. Better regulation

Better regulation must be firmly embedded in the EU system and remain a priority, in particular more efforts are needed:

- To measure and reduce administrative burdens for all EU legislation take concrete steps to reach the 25% target for reducing administrative burdens by 2012. Ensure that new legislation does not undo achieved reductions.



- To carry out accessible impact assessments on all initiatives that entail costs for businesses. Open up draft impact assessments to independent and effective review by stakeholders and impartial oversight bodies. Implement the Think Small First principle and measure all business costs.
- To involve all affected stakeholders early in the process and present their views accurately according to their representativeness and provide feedback.
- To give equal consideration to self-regulatory and alternative policy mechanisms and the 'do-nothing' option. Uphold the single market and minimise implementation differences.

4. Impact of other policies in the single market

Free movement of workers and labour markets

In 2009, tensions on the labour market have led to actions against foreign workers and a resurgence of protectionism. While workers are understandably concerned about their jobs in the current difficult circumstances, obstacles to the free movement of workers or to the freedom to provide services through posting of workers cannot be tolerated. Two strands of action are needed to improve the functioning of our labour markets and to cushion the negative impact of the crisis on employment.

First, via measures namely:

- working time flexibility measures are important to allow companies to keep their workforce in a downturn and have them readily available when the upturn comes.
- to keep labour costs under control to avoid even higher unemployment, and to foster job creation.

Secondly, to ensure swift implementation of the so-called flexicurity approach adopted by the EU Heads of State and Government in December 2007. This would entail putting in place employment-friendly social protection systems, investing in education and training including lifelong learning to make workers better prepared to move into new jobs, reinforcing labour market activation and enhancing labour flexibility.

Transport

The liberalisation of transport within the EU has significantly contributed to the development of a better functioning single market. Further liberation and better enforcement is needed to guarantee competition and fair access to networks such as railway networks.

BUSINESSEUROPE does not favour any one particular mode of transport but the climate change aspects of European transport policy focus heavily on the road



transport sector. Given that this sector carries the majority of European freight, we urge the Commission to focus policy on making all transport modes more efficient and not to undermine the competitiveness of European business as transport costs represent a significant expense for companies.

Reduction of administrative burdens in the field of transport and logistics must be a priority. Companies using their vehicles across borders face different laws and procedures in each country. In goods transport, member states are for example free to introduce (weekend) driving bans. Also, varied demands are placed on vehicles, for instance when it comes to securing cargo, dimensions, weights and loads.

Consumer Protection and Competition Policy: redress and enforcement

The Commission is reflecting on the issue of compensation of multiple victims and the use of judicial collective actions both for antitrust behaviours and consumer policy.

This debate is at the heart of the question public vs. private law enforcement and it can have far-reaching implications in the manner single market rules are enforced. DG Markt should play a stronger and leading role.

Facilitating compensation and strengthening the enforcement of antitrust or consumer protection rules are also in the interest of companies. However, we do not support the means favoured by the Commission, particularly DG Competition, which focus on collective court actions. This will open the door to a litigation culture which has proven problematic in the USA.

Enforcement and punitive power should stay firmly and primarily in the hands of public authorities. Adequate resources should be provided for that purpose.

Action should focus on analysing if the existing enforcement mechanisms mainly at national level work efficiently and if justified, improve them. This should include both judicial and non judicial tools. When it comes to the type of instrument especially regarding judicial ones, Member States are best place to decide taking into account the criteria of efficiency, rapidity and reasonable cost.

In the field of redress and compensation, more consideration should be given to alternative dispute resolution mechanisms (ADRs), which often offers more efficient, affordable and rapid solutions than court actions.

5. How to make the case for the Single Market in the Member States

The financial and economic crisis has incited euroscepticism and nationalistic reactions.

A strong and well-functioning Commission giving firm political leadership is key, as is restoring Member States' commitment to act together and cooperate/coordinate.



Improving partnership between EU and national authorities will contribute. The management of the Single Market, shared between EU and national authorities, offers the ideal platform to fortify that partnership.

Attracting interest of the public opinion, citizens and companies, in Europe is also central. This should be done through better communication and information. How?

- More TV, radio and other media campaigns;
- Education on EU affairs at early stage and in University;
- Make better use for communication of Commission Delegations and EU-related foundations, networks (e.g. Les Maisons d'Europe, EU Consumer Centres);
- More presence of EU affairs in national politics and debates;
- Use Internet-based tools and social media (Youtube, Facebook, Twitter, etc).

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