

Single market delays draw fire in public forum

BACKGROUND

The Single Market and its four freedoms for circulation of goods, services, people and capital is one of Europe's main achievements and a competitive advantage.

However, progress on the single market has stalled in recent times and business leaders have pressed for its completion in order to tap into the EU's full potential.

In October 2009, José Manuel Barroso, president of the European Commission, tasked **Mario Monti**, a former European commissioner, with preparing a report on the future of the single market.

Giving the mandate to Monti, Barroso said that the recent crisis had revealed a strong temptation - particularly when times are hard - to roll back the single market and seek refuge in forms of economic nationalism.

The single market report needs to be seen in the context of the EU's new strategy for sustainable growth and jobs, dubbed 'Europe 2020' ([EurActiv 24/02/10](#)). That strategy, presented in February, puts innovation and green growth at the heart of its blueprint for competitiveness, but will have to include tighter monitoring if it is to succeed where the Lisbon Agenda failed.

The Monti report was published in May and urged the EU to put the single market "back on track" ([EurActiv 11/05/10](#)).

The 50 sweeping proposals in the Single Market Act have to be pushed forward with more conviction, argued participants at a forum hosted in Brussels by Confrontations Europe, a think-tank.

The Single Market currently fails to address issues such as climate change or finance for long-term projects, panellists agreed.

"I don't think the single market has the urgency or impetus it deserves. The lack of enthusiasm has made the Single Market Act, in many ways, yesterday's business," said Maltese MEP **Louis Grech**, (Socialists & Democrats), author of a Parliament report on the single market.

"What is the single market? Many people don't know and plenty of small entrepreneurs think it works against them," said Grech, recounting conversations he'd had with people in his home country of Malta.

Simply put, the single market is the framework of rules that help goods, services, money and people move across borders. The single market means fewer hassles, taxes and paperwork at custom and immigration crossings. It's the reason mobile phone bills have declined 70% and airfares by 40% since 1992, according to the Commission.

But too many European citizens and businesses don't see the benefits, and Lord Leon Brittan, a UK government trade advisor, said that's because the market has not fully delivered on its promises: "You can't buy goods online in other member states and small and medium-sized enterprises can't access other markets because of onerous requirements."

Sense of urgency lacking

The new Single Market Act [was unveiled three weeks ago](#) with the grand goal of reviving European faith in the economic and social potential of the 27-nation trading bloc. It contains proposals ranging from combating piracy and helping small businesses get financing, to creating a single market for mortgages and better protections for passenger rights on all modes of transport.

The proposals will be subjected to four months of public debate, with new rules proposed over the next two years.

But for some advocates, the debate is an unnecessary delay at a time of crisis. The economic recession followed by turmoil surrounding the euro and government debts have sparked a surge in nationalism and protectionism. Countries are fighting to shelter or support local industries.

Spain and Italy last week blocked another attempt to create an EU-wide patent to protect intellectual property and product designs. They want the patent to be translated into their local languages in addition to English and French or German.

An EU patent is the No. 1 proposal in the Single Market Act, and the turf war highlights the challenges facing **Michel Barnier**, the French commissioner for the internal market and services.

In the current environment, "there is a risk of going backward on some aspects," Barnier conceded.

However, he defended President Barroso's commitment to the project, saying, "he's been a staunch supporter of me [...] He has helped me more than I can say". Barroso's press office said he was travelling abroad and unable to comment.

But the seven panelists all said Barroso needs to step up to the plate.

"We need more involvement from the Commission president," said **Othmar Karas**, an Austrian and vice- chairman of the European People's Party group in the Parliament.

There was quick agreement from **Franco Bassanini**, president of Italian public investment company Cassa Depositi e Prestiti. "Personal involvement is always one of the conditions for a strategy to be successful," he said.

He also criticised the Single Market Act for failing to tackle issues regarding financing for long-term projects like transportation, especially since the euro crisis has forced many governments to slash spending.

"Where are the concrete proposals?" he asked.

Indeed, many of the 50 lack punch, including:

- No. 7: Next year, the Commission will adopt a white paper on transport policy, which will propose a series of measures intended in particular to remove the remaining obstacles identified between national systems of transport.
- No. 10: Before 2012, the Commission will look into the feasibility of an initiative on the ecological footprint of products to address the issue of the environmental impact of products, including carbon emissions. The initiative will explore possibilities for establishing a common methodology to assess and label them.
- No. 32: The Commission will launch a consultation with the social partners (key labour and business representatives) in order to create a European framework for the advance planning of industrial restructuring.

And **Pascal Canfin**, a French Green MEP, pointed out that the deadline for action on a proposal to regulate services of general interest had already been pushed back a year, to 2012.

But **Barnier** defended the plan and pledged to move quickly. "Come February or March we will be ready."

POSITIONS

BusinessEurope, the European association of industries and employers, believes the Single Market Act is a good foundation for revitalising the EU's internal market but called for a strong political commitment to ensure it is properly implemented across the member states.

The association's **director-general, Philippe de Buck**, stated: "European business is fully committed to the single market. The Single Market Act is taking up the challenges the single market is facing. It is a solid foundation for its relaunch, but it will need a coherent and comprehensive approach from the Commission."

The **European Consumers' Organisation (BEUC)** stressed that in the debate "priority must be given to concrete measures that can add value to consumers' everyday lives [including] a collective

redress mechanism which gives them access to compensation when traders violate their rights or when they are victims of uncompetitive behaviour".

"Online users would also benefit from initiatives which enshrine consumers' digital rights and facilitate the development of new business models for legal content across Europe," BEUC said.

The **European Association of Craft, Small and Medium-Sized Enterprises (UEAPME)** was disappointed, and said the "Single Market Act unveiled by the European Commission lacks the vision, ambition and coherence needed to bring Europe's internal market to the next level".

Poul Nyrup Rasmussen, president of the **Party of European Socialists**, stated: "I welcome the fact that the European Commission is finally taking steps to promote the completion of the Single Market, but I am concerned by the gaps between the interests of the economy and the interests of the people," citing the absence of any commitment to revise the Posting of Workers Directive and a failure to put forward a legislative proposal to ensure high-quality, accessible and affordable public services.