

Relaunch of single market

Commission responds to Monti report

By Sophie Mosca | Monday 06 September 2010

In a draft communication to be published on 6 October, the European Commission details its strategy for giving fresh impetus to the EU's single market, the Single Market Act championed by Commissioner Michel Barnier. Rebooting the single market, which lies at the heart of the 'Europe 2020' strategy adopted by the member states in June this year, implies essential structural reforms for the Commission. At a time when public policies are limited by budget deficits, it is important to strengthen the single market, one of Europe's main competitive advantages, to give companies incentives to invest and create new jobs. The document, dated 23 August, a draft version of the future communication, outlines the EU executive's response to the conclusions of the report submitted last May by former European Commissioner Mario Monti, which urges Europe's leaders to put the single market "back on track". This strategy is structured on three key areas - enterprises, citizens and single market governance – and proposes 51 actions identified jointly by nine Commissioners (Almunia, Andor, Dalli, Tajani, de Gucht, Kallas, Kroes, Rehn and Semeta), with Barnier, in charge of the internal market and services, acting as coordinator.

Focus on business

Companies are the mainspring for relaunching the single market and must therefore be able to exercise their activity without hindrances and have incentives to create jobs. This means that certain programmes in the works will have to be finalised by 2012. Administrative simplification, protection of intellectual property and fiscal coordination need to move forward without delay. By the end of 2010, a communication on smart regulation will review implementation of the Small Business Act adopted by the 27 member states in December 2008, followed by revision of the accounting directives, in 2011. On intellectual property, introduction of the Community patent is hanging on the Council's negotiations on the language aspect and on the opinion submitted to the EU Court of Justice on the future Patent Court. The first European patents are expected to be registered in 2014. An action plan on combating counterfeiting and piracy, which includes revision of Directive 2004/18/EC on respect for intellectual property rights, is planned for late 2010 or 2011. Jonathan Faull, the Commission's new director for the internal market, announced at a press conference, on 6 September, the publication of a legislative initiative on 'orphan' works for 27 October 2010, in order to speed up the creation of European digital libraries.

On the fiscal aspect, the Commission hopes to do away with distortions inherent to the diversity of systems in the EU by improving coordination of tax policies. It endorses Monti's opinion by planning a draft directive to harmonise corporate taxation at EU level and a green paper presenting a strategy on value added tax. Particular emphasis is placed on measures encouraging companies' access to finance, particularly with the creation of a European venture capital area by 2012 and the launch of a feasibility study on regional stock exchanges so as to give SMEs better access to exchanges. More specifically, the EU executive announces the publication, by the end of 2010, of a white paper on

transport and a strategy on transport infrastructure funding by 2011. An initiative on the promotion of social businesses is planned for 2011.

Benefits for citizens

The second part of the working paper is devoted to the 500 million European citizens who must reap the "full benefits" of the four freedoms that constitute the single market: free movement of goods, services, persons and capital. Whether working or in retirement, consumers or patients, Europeans are supposed to have easy access to the basic banking services needed to get a job or secure housing, states the text, which provides for an initiative by the end of the year. Also announced for 2011 are progress on loans and bank fees. Improvements are set for next year in the area of recognition of professional qualifications, dispute settlement at EU level, in particular class actions in the wake of the public consultation, posting of workers, proposals on pension problems for mobile workers and cross-border health care, on which the directive, held up since 2009, is a priority for the Belgian EU Presidency. A communication on the EU approach to services of general interest is also expected to be presented by 2012.

Better governance

The final part of the text identifies bottlenecks to governance of the single market that keep the different stakeholders at European, national or local level from taking full advantage of its opportunities. To remedy the market's weaknesses and ensure better information on the different actions undertaken, the Commission proposes to organise an annual single market forum and a strategy based on a portal on Europeans' rights, 'Your Europe', set for late 2010. It will also boost monitoring by carrying out several sector enquiries to detect any malfunctioning.

The draft communication is available at www.europolitics.info > Search = 277973