

Single market act

Fifty measures to kick-start the single market

By Sophie Mosca | Wednesday 27 October 2010



Commissioner Michel Barnier presented the long-awaited Single Market Act on 27 October, as a response to the EU's problems of growth and competitiveness. The act is "not being decided alone", explained Internal Market Commissioner Barnier. It is a "collective work, not just prescribed by the Commission" but also involving the other institutions, companies and citizens, who are invited to get involved. It is a "key element of the EU 2020 strategy" and the fruit of an innovative process. The Single Market Act aims to be a way of reconciling 500 million citizens and 21 million companies with the single market.

An original approach

The 50 proposals drafted by 13 commissioners make up an action plan that is not only legislative in nature (half the proposals are legislative) but broader, aimed at stimulating trade and removing obstacles to the single market so as to boost growth by three to four points. The challenge is also to strengthen the social market economy, so the act contains a number of concrete social measures. This social-market orientation is important to Michel Barnier, who sees it as a way of counteracting the "ultraliberalism that has done a lot of damage to Europeans in the past fifteen years". He also explained that the text would be debated publicly for four months to give national parliaments, local authorities, economic and social interests and trade unions the opportunity to present their views on the proposals before finalising the plan in early 2011 and implementing it in 2011-2012, in order to celebrate "the 20th anniversary of the single market proactively rather than nostalgically". This dialogue will also find expression in a new strategy aimed at widening the internal market information system (IMI) to other legislative areas in 2011, with a view to setting up a kind of 'Facebook' for European administrations through initiatives on alternative dispute settlement and wider consultation of civil society in the preparation and implementation of texts by including consumers, unions, companies etc. These actors will also be consulted on follow-up to single-market measures with the convening of an annual single-market forum, starting in 2011.

Priority on business

The first chapter is devoted to businesses, which provide 175 million jobs and which need conditions that foster "sustainable and fair growth". This consists first in promoting and protecting creativity through, for example, measures on the EU patent, a draft framework directive on the management of copyright, including access to online content, and an action plan to combat counterfeiting and piracy. The Commission also mentions continuation of the process of "mutual evaluation" of the services directive, a legislative reform of the standardisation framework in 2011 and a white paper on obstacles to national transport systems. It also announces a communication on unfair commercial practices in the retail market and an initiative on the ecological footprint of products in 2012. The act puts the

accent on measures to create a favourable legal environment for SMEs, giving them better access to credit and reducing administrative constraints through a revision of the accounting directives in 2011. For the end of 2010, the executive plans to evaluate the Small Business Act in connection with the EU 2020 strategy and to present proposals to provide incentives for the financing of innovation and long-term investment. It also mentions a revision of EU public procurement legislation in 2012 and of legislation on risk capital funds in the EU, which still encounter too many obstacles. To improve the legal and tax environment for companies, the Commission plans to improve coordination of national tax policies (see separate article), interconnect national business registers and ensure mutual recognition of electronic signatures. On the international dimension, the communication states that the EU must develop cooperation with its main trading partners, particularly in public procurement, to make the single market a "base camp" that helps European businesses to prepare for international competition and target new markets.

Building Europeans' confidence

The second part of the communication concerns European citizens, who are at the heart of the single market, "which is made for them and must be made with them", explained Barnier. "We need to build confidence by providing concrete solutions to improve their day-to-day life," he continued. That means improving public services and infrastructure of general interest, on which the Commission will present a communication and measures in 2011. There is also a need for greater solidarity in the single market through a social clause in legislation that imposes respect for fundamental rights (see other article). The Commission also plans to revise the posted workers directive in 2011. The section on training sets out proposals for reform of systems for the recognition of qualifications and to encourage mobility among young people. The Commission has also announced a social entrepreneurship initiative, a green paper on corporate governance that includes the social-market economy and incentives for the development of ethical labels. It will take measures for European consumers such as guaranteeing effective application of the services directive, proposing a directive on responsible borrowing in February 2011 to ensure consumer protection, and amendment of the regulation on air passengers' rights. The EU executive will also draw up guidelines for national food price comparison websites, which will then be extended to all consumer goods.

Communication soon available at : http://ec.europa.eu/internal_market/smact/index_en.htm