



Twenty years on: Deepening the Single Market

Twenty years after its launch, the European Single Market (SM) continues to develop. However, the European Commission's (EC) recent attempts to deepen the SM have encountered delays in adoption and appear to need stronger pressure on Member States to implement. The European Council has called for prioritisation of measures most beneficial to growth and jobs.

Single Market achievements

The SM came into force in 1992, to ensure free movement of goods, services, people and capital across the EU. Today it [involves](#) over 500 million customers, 21 million companies, €2 800 billion of intra-EU trade and €1 500 billion trade with the rest of the world.

According to the Commission, the SM [generated](#) 2.77 million extra jobs and an additional 2.13% in GDP between 1992 and 2008. This has been achieved through about 300 legislative measures to bring down barriers and simplify rules. The EC [points out](#) that the SM helped to enhance competition, reducing prices and increasing consumer choice. It also enabled citizens to travel, study, work, live and retire in any EU country.

Single Market Acts

The EC [estimates](#) that benefits from the SM could be doubled with further removal of trade barriers, in particular in the services sector and by fostering the Digital SM.

In April 2011, the Commission published the [Single Market Act](#) (SMA I) in response to the crisis and to restore citizens' confidence. It set out 12 proposals to advance the SM by generating employment and growth, covering taxation, trans-European networks, digital content, small business financing, public procurement rules and service standardisation.

The Commission's 2012 [internal market scoreboard](#) observed that the average percentage of SM legislation not yet introduced on national level (transposition deficit) has fallen to 0.9%, so meeting the EU target. However, the Commission also noted a deterioration in reducing the number of

directives overdue by two years or more and shortening transposition delays.

In October 2012, the EC published the [Single Market Act II](#), which contains 12 further measures focused on integrated transport and energy networks, cross-border mobility of citizens and businesses, the digital economy, and actions reinforcing social cohesion, entrepreneurship and consumer confidence.

On 8 October 2012, European Council President Herman van Rompuy [noted](#) the risk that only half of the SMA I proposals will be agreed by December. Only one has been [adopted](#) so far, despite the Council's [objective](#) to adopt all 12 by the end of 2012. Reaching agreement has been problematic for the public procurement package, mutual recognition of professional qualifications, posted workers' rights, and trans-European networks for transport and telecommunications.

Stakeholder views

Analysts [argue](#) that while most countries use the crisis as an opportunity to embark on market-friendly reforms, political conditions sometimes make implementation difficult. This may be resolved by using quicker infringement procedures and fines for non-transposition introduced by the Lisbon Treaty.

The initiatives to deepen the SM have generally been received well by [stakeholders](#), but could [benefit](#) from stronger enforcement and commitment from the Member States.

Observers claim that SMA I and II address [too many](#) policy areas, and that quicker gains could be made by prioritising. On the other hand, some issues important to [employers](#), such as copyright reform, have been excluded.

European Parliament

On 14 June 2012, the EP [called](#) for adoption of SMA I by the end of 2012, especially measures concerning the Digital SM. MEPs also proposed that SMA become a rolling plan to be reviewed annually. The EP also insisted on a stricter 0.5% target for the transposition deficit.