



EUROPEAN PARLIAMENT

2014 - 2019

Committee on the Internal Market and Consumer Protection

2014/2145(INI)

18.3.2015

OPINION

of the Committee on the Internal Market and Consumer Protection

for the Committee on Economic and Monetary Affairs

on the review of the economic governance framework: stocktaking and
challenges
(2014/2145(INI))

Rapporteur: Ildikó Gáll-Pelcz

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SUGGESTIONS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas as a consequence of the economic and financial crisis, the level of investments in the EU has dropped by about 15 % since its peak in 2007;
- B. whereas this investment gap hampers economic recovery, job creation, long-term growth and the competitiveness of our industrial sector and of the Single Market at large, and poses a threat to the achievement of the targets set by the Europe 2020 Strategy;
- C. whereas the review and improvement of the economic governance framework should be based on a holistic approach through a set of interconnected and mutually consistent policies that foster smart, sustainable and inclusive growth, and also competitiveness, and create better and sustainable jobs, instead of focusing solely on deficit reduction, and whereas unlocking the benefits of a well-functioning, effective and balanced Single Market with a strengthened industrial base is also key to achieving these aims;
- D. whereas the Commission should monitor the Single Market taking account of the quality of the implementation of measures relevant to the economic governance framework; whereas the Commission should include in the annual governance check-up and the scoreboard obstacles to the implementation of Single Market legislation; whereas monitoring should assess the extent to which consumers, citizens and businesses alike benefit from the Single Market and take into account the challenges faced by consumers and businesses operating across the Single Market, in particular in areas where Member States have not implemented or enforced Single Market legislation;
- E. whereas the completion of the Single Market in the field of public procurement and consumer protection would contribute to an increase in GDP of EUR 300 billion per year;
- F. whereas a European Investment Plan is being put in place to raise EUR 315 billion in new investments over the next three years;
- G. whereas the European Union faces a profound competitiveness crisis in an increasingly challenging global economy and in the Single Market, in which only competitive economies will be able to create jobs and raise the living standards of their citizens;
1. Welcomes the fact that the Commission Communication entitled ‘An Investment Plan for Europe’ (COM(2014)0903), the Commission Communication entitled ‘Making the best use of the flexibility within the existing rules of the Stability and Growth Pact’ (COM(2015)0012) and the proposal for a regulation of the European Parliament and of the Council on the European Fund for Strategic Investments (COM(2015)0010) underline as a priority the need to directly link the review of the economic governance framework to the needs of the real economy and to complete the Single Market and create a Digital Single Market;

2. Considers the economic governance framework to be a key political initiative that underpins the foundations of the Europe 2020 goals and flagship initiatives which are aimed at fully exploiting the Single Market's untapped growth potential; believes that by unlocking the Single Market's growth potential, Member States will more easily fulfil the targets embedded in the economic governance framework; furthermore, considers that the primary actors in the Single Market are consumers and businesses;
3. Stresses that the Single Market is the key driver for growth and jobs, and that the key area for growth is the Digital Single Market, a genuine market for cross-border online sales for goods, services and public procurement;
4. Underlines the fact that the economic crisis has clearly shown the importance of strengthening and guiding the economy of the European Union and the Member States towards research and innovation (R&I), technology and knowledge, by facilitating market access and mobility for both consumers and businesses, enhancing the Digital Single Market, combating Single Market fragmentation across the Union through the proper implementation and enforcement of Single Market legislation by Member States, and boosting investments in the real economy, particularly in sectors that contribute to sustainable development, resource efficiency and energy transition, while fostering high-employment growth and economic convergence among Member States and bridging the gap between euro and non-euro Member States;
5. Believes that the review of European economic governance should go hand in hand with the review of the overarching Europe 2020 strategy and the European Semester cycle with a view to fostering sustainable and competitive growth; calls, therefore, for a new approach to the Single Market and the Digital Single Market to be taken within the review of the Europe 2020 strategy by duly incorporating priority sectors/targets of the Single Market into a new simplified set of guidelines, headlines or flagship initiatives;
6. Welcomes the review of the framework's effectiveness, with a view to assessing the effective and uniform application of governance rules by the Commission, the Council and the Member States; believes that only where relevant should this review inspire a re-evaluation of the Single Market governance framework and explore possible synergy effects between the two processes;
7. Reiterates its call for the procedures to provide for the appropriate involvement of the European Parliament in the economic governance cycle, paving the way for the adoption, by Parliament and the Council, of the measures necessary to strengthen Single Market governance, and in particular those which address the areas in which the Union's regulatory framework has been established in accordance with the ordinary legislative procedure laid down in Article 294 of the Treaty on the Functioning of the European Union;
8. Reiterates its call on the Commission and the Council to enter into an interinstitutional agreement with Parliament in order to fully guarantee the role of Parliament within the whole Semester process;
9. Believes that the economic governance framework needs to be inclusive, more transparent and less complex, while taking account of national specificities, and that political

priorities also have to be discussed in a more comprehensive manner with relevant stakeholders whilst remaining independent of vested interests;

10. Considers that national parliaments should be more involved in the process of effectively implementing measures laid down in the economic governance framework and in the context of Single Market governance;
11. Underlines the importance of new growth and job creation for the public acceptance of the economic governance framework and calls, therefore, for the Commission to improve the business environment in Europe with particular attention to SMEs, removal of red tape and access to finance; recalls in this respect the need to provide support to SMEs to enable them to also access non-EU markets such as the US, Canada, China and India;
12. Insists that the evaluation of the state of the Single Market should be made a part of the economic governance framework, laying the foundation for an annual Single Market cycle by reinforcing a pillar dedicated to the Single Market within the European Semester; notes that such an integrated policy framework could be a helpful contribution to identifying the obstacles to the functioning of the Single Market while enhancing the implementation of the EU's economic governance rules; underlines that the full implementation of the revised public procurement directives, particularly their rules on award criteria, can help public authorities to better spend public resources and avoid unnecessary environmental and social costs in the long run, thereby having a positive effect on the stability of public finances;
13. Strongly believes that efforts must be concentrated on the key priorities of the pillars within the European Semester; emphasises the importance of focusing on areas which deliver significant European added value in line with the principles of subsidiarity and proportionality; calls on the Commission to work with the Member States to identify ways of ensuring these principles can be more effectively implemented;
14. Calls on the Commission to submit to Parliament an annual report on Single Market integration with particular regard to key areas with the greatest growth potential and creation of better and sustainable jobs, assessing the effectiveness of the implementation of the country-specific recommendations, as well as the implementation and enforcement of Single Market legislation by Member States, and points out that the assessment could be provided as a contribution to the Annual Growth Survey;
15. Recalls that good economic governance and the impact thereof can be effective only if relevant stakeholders are involved; stresses the need for the EU, the Member States, the regions, municipalities and stakeholders to take a holistic approach in the implementation and development of policies; invites the Commission and the Member States to secure the democratic principle of civil dialogue through the structured involvement of relevant stakeholders in economic governance, and in particular in the European Semester process;
16. Highlights the opportunity to channel extra public and private money into viable projects with a real added value for the European social market economy and stresses that key sectors of the Single Market – transport, energy, services and products, research and innovation – and the Digital Single Market represent the adequate (most appropriate) scale for investments to be eligible within the pipeline of investment projects;

17. Welcomes the additional room for manoeuvre offered by the investment clause as defined by the Commission in its communication on flexibility; believes that this new possibility should be used to its utmost potential in order to encourage Member States to invest more in projects with a clear European added value such as those more closely linked to the further development of the Single Market and the Digital Single Market; considers that targeted investment and reforms in key growth sectors of the Single Market and in the modernisation of public administrations – notably in relation to e-government and e-procurement – should qualify as structural reforms;
18. Is concerned about the lack of implementation of the country-specific recommendations (CSRs) in some Member States, where only 12 % of the CSRs were fully addressed in 2013; stresses that better implementation of the CSRs is needed in order to support growth and jobs; calls on the Commission to strengthen the ownership of the CSRs in the Member States through increased involvement of the national parliaments.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	17.3.2015
Result of final vote	+: 33 -: 2 0: 4
Members present for the final vote	Dita Charanzová, Carlos Coelho, Sergio Gaetano Cofferati, Lara Comi, Anna Maria Corazza Bildt, Daniel Dalton, Dennis de Jong, Pascal Durand, Vicky Ford, Ildikó Gáll-Pelcz, Antanas Guoga, Robert Jarosław Iwaszkiewicz, Liisa Jaakonsaari, Antonio López-Istúriz White, Jiří Maštálka, Eva Paunova, Jiří Pospíšil, Virginie Rozière, Christel Schaldemose, Olga Sehnalová, Mylène Troszczynski, Anneleen Van Bossuyt, Marco Zullo
Substitutes present for the final vote	Lucy Anderson, Jussi Halla-aho, Kaja Kallas, Othmar Karas, Emma McClarkin, Jens Nilsson, Julia Reda, Adam Szejnfeld, Lambert van Nistelrooij, Josef Weidenholzer, Kerstin Westphal
Substitutes under Rule 200(2) present for the final vote	José Blanco López, Andrea Bocskor, Roger Helmer, György Hölvényi, Emilian Pavel