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**COMMISSION STAFF WORKING PAPER**

**The Single Market through the lens of the people:  
A snapshot of citizens' and businesses' 20 main concerns**

## **The Single Market through the lens of the people:**

### **A snapshot of citizens' and businesses' 20 main concerns**

The Single Market is one of the EU's main achievements. 50 years after its inception, it has not only fuelled economic growth; it has also become a part of Europeans' everyday lives. Still, the Single Market is not yet fully living up to its promise.

In October 2010, the Commission issued the Single Market Act<sup>i</sup> together with the first EU Citizenship Report<sup>ii</sup>. Both highlighted the gap between the EU legal framework, and people's everyday experiences with the Single Market. To promote a culture of dialogue and learning from experiences on the ground, the Commission has undertaken to periodically publish a list of citizens' and businesses' main concerns with the Single Market – areas where progress is required to close the gap between what they expect from the Single Market, and what they experience in practice.

The services of the European Commission compiled a list of the 20 main concerns with the Single Market as it stands now. This list represents a snapshot of difficulties encountered by people (understood in a wide sense: citizens, businesses, consumers, workers, students, pensioners) when attempting to exercise their EU rights. This snapshot will inform discussions at the first Single Market Forum, which will be held in Krakow on 3 and 4 October 2011, gathering civil society, businesses, social partners, and public authorities at all levels of government.

The snapshot represented below is built on problems encountered and views expressed by people. First, an analysis has been made of queries and complaints handled by the Commission and assistance services such as SOLVIT, Your Europe Advice, the European Consumer Centres, the European Employment Service and the Enterprise Europe Network. These data provide evidence of obstacles encountered by those that want to make use of the rights and the opportunities created by the single market, in their daily lives or acting as economic operators. To verify the relevance and importance of these obstacles against people's overall experiences, these data have been matched with statistically representative data from recent Eurobarometer surveys. Finally, findings have been further refined through focus group discussions and surveys with targeted citizens and business audiences. Together, these data offer a robust snapshot of the Single Market as seen and experienced 'on the ground'.

The services of the Commission intend to repeat this exercise periodically, to reflect how people's experiences change over time, as actions being currently undertaken start to bear fruit. The discussion engendered at the first Single Market Forum will also enable the Commission services to refine the methodology for future snapshots of the Single Market through the lens of its end-users.

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<sup>i</sup> Communication from the Commission: Single Market Act - Twelve levers to boost growth and strengthen confidence "Working together to create new growth"; Brussels, 13.04.2011 (COM/2011/0206 final).

<sup>ii</sup> EU Citizenship Report 2010: Dismantling the obstacles to EU citizens' rights; Brussels, 27.10.2010 (COM (2010) 603 final).

This will help all stakeholders and policy makers – at the European but also the national level – to assess the effects of policy actions already undertaken, and to define the need for further actions.

*As this paper is a working document of the services of the Commission, it does not represent or prejudice any position the European Commission may have taken or will take in the future, on any of the issues covered.*

## THE 20 MAIN CONCERNS FOR EUROPE'S CITIZENS AND BUSINESSES

This paper focuses on the gap between what people expect from the Single Market and what they experience in practice. It does not consider other obstacles such as geographic, cultural and language barriers.

As a general matter, it confirms that the divide between expectations and reality stems from three inter-related gaps:

- *An information gap:* People often do not sufficiently know or understand their rights and do not know where to look for information or help. Likewise, local authorities fail to sufficiently understand the rules and how to apply them in practice;
- *An implementation gap:* In many areas, a gap can be noted between the EU legal framework and the way it is implemented and applied in practice. This may be due to an incorrect transposition of rules, to practices of 'gold plating' (leading to complex legal situations), but also to an incorrect application of rules, to a lack of co-operation amongst relevant administrations operating in a cross-border context and to difficulties in resolving problems and obtaining redress where things go wrong;
- *A legislative gap:* In some areas, the EU legal framework itself does not match citizens' and businesses' expectations. Sometimes, this is due to the fact that the EU has no or only limited competences to legislate. In other areas where the EU does have competencies, there are yet no legal tools to bridge the gap between what Europeans expect from the Single Market, and what they can obtain in reality.

The **areas identified below are grouped thematically, without establishing any order of importance**. For each concern, the Commission services have identified one or more possible root causes (whether the problem is one of information, implementation or legislation) based on the practical experiences examined. **The examples reflect real-life complaints and cases handled by the European Commission or its assistance services.**<sup>iii</sup>

### 1. Cumbersome social security procedures discourage citizens' mobility

Many people moving from one EU country to another find it difficult to understand and make use of their social security rights (family allowances, unemployment benefits, social security). They often expect to have the same rights everywhere and

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<sup>iii</sup> Names of the persons and/or countries used in examples may have been changed.

may be disappointed when this expectation is not met. In addition, they often face complex administrative procedures when trying to obtain social security rights, and may still be confronted with discriminatory rules and practices.

**Who is concerned?** People moving within the EU.

**What are possible root causes?** Complex EU rules, which coordinate (rather than harmonise) national social security systems, and leave it to the Member States to determine the details of their own systems. As a result of this complexity, people often fail to understand their rights, and national, regional and local administrations encounter difficulties in applying the rules.

*Example*

*Valentino works in Italy, but lives across the border in Austria: he commutes across the national border to get into work every day. His social security rights are linked to his place of work. Valentino has three children and applies for a family allowance from the provincial authority of the province he works in, but is denied it on the basis that it is only granted to residents of that province.*

2011 quantitative Eurobarometer survey on the Internal Market: 40% of EU citizens having experienced a transfer of their social security rights to/from another EU country consider this as particularly difficult.

## **2. Citizens getting healthcare abroad are often frustrated when receiving the bill**

People often believe their European Health Insurance Card gives them, throughout Europe, the same rights to healthcare and health insurance as they enjoy at home. In reality, however, the European Health Insurance Card gives the right to be treated as a local resident for unplanned and necessary healthcare during a temporary stay abroad. Many mobile citizens are therefore surprised when they are asked to pay upfront for treatment abroad, if they do not have to do so at home.

There is also confusion about the right to receive planned medical treatment abroad, which requires prior authorisation from the home healthcare system.

Finally, citizens also may encounter difficulties when claiming reimbursements for treatment received abroad, by facing administrative delays and practices that run counter to EU law.

**Who is concerned?** Travellers, students, as well as people with medical conditions.

**What are possible root causes?** Citizens are not sufficiently aware of their rights, and social security institutions often fail to inform people or misapply the rules.

*Example*

*Angeles, a Spanish national, went to Paris as a tourist, and unfortunately fell sick while there. She used her European Health Insurance Card at a hospital in Paris, but did not understand why, after having come back to Spain, she received bills from the French hospital: she thought the treatment was free, as it is in Spain. She also had difficulty finding out from her national health authority how the costs incurred could be reimbursed.*

## **3. Obtaining a residence card in another Member State for non-EU family members is too complex**

When EU citizens move to another Member State, many are frustrated by the sometimes complex, burdensome, or arbitrary administrative procedures that can be required to obtain residence cards for accompanying family members who are not EU nationals.

**Who is concerned?** EU nationals and their family members.

**What are possible root causes?** Cumbersome national procedures, unjustified administrative delays, and an incorrect application of EU residence rules by the authorities of some Member States.

Problems can sometimes be exacerbated by the fact that civil status certificates (birth, adoption, marriage, and divorce certificates) and other official documents relating to people's personal and family situations are often not recognised abroad. As the recognition of these documents is not regulated at the EU level, it is difficult to obtain redress in such situations.

*Example*

*Felipe, Portuguese, married Palmira, a Brazilian national, in Brazil. They then moved to the Czech Republic, where Palmira applied for a residence card as the wife of an EU national. The Czech authorities rejected the application because Felipe and Palmira had been married in Brazil and hadn't registered their marriage in the Czech Republic. They were told they had to apply to have their marriage registered in the Czech Republic, which would take a long time, during which Palmira would not be able to live there legally.*

2011 quantitative Eurobarometer survey on the Internal Market: 37% of EU citizens having tried to obtain a residence card from another EU country consider this as particularly difficult.

#### **4. Professionals have difficulties getting their qualifications recognised in another Member State**

Professionals moving abroad expect that their qualifications will be easily accepted anywhere in the EU. This is not always the case: national rules make access to many professions conditional upon the possession of a specific professional qualification. For many professions, foreign qualifications are not automatically recognised under national rules. In such cases, professionals with foreign qualifications must go through a national recognition procedure, which can be a very lengthy and burdensome process.

Countries may also choose whether qualifications obtained outside the EU are regulated on their territory in the same way as those obtained in the EU, or under a different set of national rules.

**Who is concerned?** Workers and self employed professionals attempting to find work in another EU country, and businesses who want to hire staff trained in another EU country.

**What are possible root causes?** EU rules do not always meet people's expectations and are not always well understood and applied in practice; some authorities find it difficult to co-operate across borders.

*Example*

*Kosta, a Bulgarian national, wanted to practice as a physiotherapist in France.*

*Because the profession is regulated there, the French authorities required a certificate from the competent Bulgarian authorities. However, the authorities could not provide this certificate because the profession is not regulated in Bulgaria.*

## **5. Workers can be victims of discriminatory employment practices in another Member State**

In many cases, workers still face some form of discrimination in access to jobs and in working conditions when they seek work in other EU countries. This can be true in the private sector as well as the public sector.

**Who is concerned?** EU citizens who work in a different EU country than their country of origin, as well as non-EU nationals who have the right to move to another Member State to look for work.

**What are possible root causes?** Lack of information, a lack of adequate redress tools, discriminatory national rules and poor application of rights by some national administrations or private employers in some Member States.

### *Example*

*Mary, a qualified teacher in Ireland, moved to Italy with her husband Antonio. Once there she sought a job in the public education sector. Although her teaching diploma was recognised as such, she found that Italian authorities awarded additional points to diplomas obtained in Italy and not to those obtained in other Member States for the ranking in the reserve lists of teachers.*

2011 quantitative Eurobarometer survey on the Internal Market: almost three in ten Europeans (28%) say they would consider working in another EU country, but currently only one in ten (10%) say they have done so.

## **6. Tax barriers for cross-border workers and employers**

Cross-border workers who have to deal with the tax authorities of more than one country may find it hard to obtain comprehensive information on their tax status and tax liabilities. They also have difficulties getting tax benefits, such as allowances, relief and deductions that they would obtain if they worked and lived in the same country. Some may even be taxed twice.

Likewise, companies frequently point at tax barriers hindering the recruitment of employees from across borders.

**Who is concerned?** Workers who live in one EU country but work in another, and companies that hire them.

**What are possible root causes?** Differences between national tax rules, lack of information for taxpayers, delays by tax administrations in processing applications for tax relief, lack of adequate cooperation between Member States' tax authorities in eliminating double taxation, and remaining differences in tax treatment of cross-border versus local situations (these differences are prohibited by EU rules but may still exist).

### *Example*

*Jarek is a Slovak truck driver. He works with a Dutch company travelling from the Netherlands to France, Luxembourg and Belgium. He spends more than 8 months a*

*year in these countries. He pays taxes in the Netherlands, but was asked by the Slovak tax authorities to report his taxes in Slovakia. The Belgian and Luxembourg tax authorities also requested him to report how much time he spent in those countries.*

## **7. Opening a bank account abroad remains too difficult**

Many people moving abroad may experience problems when opening a bank account in their new host country, since this is often subject to conditions of residence and/or employment.

**Who is concerned?** People moving to another EU country or doing cross-border transactions.

**What are possible root causes?** Cumbersome and discriminatory requirements imposed by certain banks; lack of proper application of EU rules in some Member States.

### *Example*

*Lotte moved from Denmark to study in Sweden. She found an apartment she wanted to rent and needed to open a bank account in which to place the deposit. The bank she went to refused to let her open a bank account unless she had proof of residence at a fixed address, leaving Lotte in a difficult situation to resolve.*

2011 quantitative Eurobarometer survey on the Internal Market - around 26% of respondents consider opening bank accounts in another EU country as particularly difficult.

## **8. Students face discrimination in recognition of diplomas, fees, and financial support**

EU students wishing to study abroad can still be confronted with discriminatory admissions practices, higher fees, and restrictions in financial support from their host and home countries.

Once their studies are over, students may find it difficult to have their foreign diplomas and study results recognised: recognition is sometimes refused outright, or can be subject to lengthy and cumbersome national procedures.

**Who is concerned?** Students, both during and after their studies.

**What are possible root causes?** The great diversity of national rules relating to student support, financing, education and recognition of diplomas means that there is still a big potential for indirect discrimination. EU law prohibits discrimination on the ground of nationality, but does not allow for the harmonisation of the applicable rules.

### *Example*

*Ivo, a Bulgarian national, wished to study architecture in Germany. His Bulgarian high school diploma gives him access to all universities in Bulgaria. As he studied some subjects in the field of art in addition to the general curriculum, his diploma mentioned an Arts specialisation. His application to Architecture faculties was rejected, as the German body that deals with the conversion of foreign diplomas judged that his diploma only gave him access to humanities studies.*

## 9. Retiring abroad and inheriting across borders leads to complex taxation issues

Many pensioners who retire in another EU country may see their pensions subject to tax in two countries, or to a higher tax rate than they would be subject to at home. Likewise, Europeans transferring pension capital to pension funds in another EU country may be taxed on these transfers, even if they would be tax-exempt if the transfers took place within national borders. Finally, citizens inheriting property across borders are often subject to higher succession duties or double taxation and may face complex legal situations.

**Who is concerned?** Pensioners, people transferring pension capital/contributions across borders and those that inherit across borders.

**What are possible root causes?** Fragmentation of Member States' tax regimes and insufficient cooperation between Member States on these matters.

*Example A British citizen residing in Poland inherited property from relatives resident in the United Kingdom. Her UK inheritance was subject to inheritance taxes in the UK. As she is resident in Poland, she was also required to pay another 12% inheritance tax in Poland. As there is no comprehensive remedy against double taxation she ended up having to pay both sets of taxes.*

## 10. Taking a car to another Member State is costly and burdensome

Europeans moving to another Member State often experience difficulties when taking their car along with them. They can face complex and burdensome registration procedures, demands for paperwork in the host country which was not delivered in the home country, and they may have to pay additional taxes and duties.

Citizens purchasing a car in another country and taking it back with them to the country where they reside face the same problems regarding registration procedures.

**Who is concerned?** Car-buyers and car owners moving to another Member State.

**What are possible root causes?** Lack of harmonisation of car registration procedures and of car registration taxes within the EU lead to mismatches between national systems.

*Example  
Toms lives in Latvia and works in Lithuania for a Lithuanian company. He drives a company car - registered in Lithuania - which he also uses privately in Latvia. He was once stopped by the Latvian police and fined for not having registered the car in Latvia. Toms explained that cross-border workers are entitled to use their company cars for private purposes in their home country, but the police were unaware of that right and issued the fine anyway.*

## 11. Passengers find it difficult to defend their rights



Passengers, whether travelling by plane, ship, bus or train, are in a very uncomfortable position when confronted with travel or luggage problems. Despite EU efforts to inform passengers about their rights and monitor enforcement, passengers' rights are often not well respected.

**Who is concerned?** Passengers.

**What are possible root causes?** Insufficient information about EU rules, a lack of a proper application of these rules in some Member States, and insufficient or complex means of redress.

*Example*

*Sonia's flight from Toulouse to Madrid was cancelled without explanation or help from the airline, and she had to buy a new ticket from another carrier. She later found out that, under EU rules, she should have received refreshments and accommodation, and that she could be entitled to financial compensation. The airline did eventually reimburse the ticket she had bought from them, but refused any other kind of compensation.*

2011 quantitative Eurobarometer survey on the Internal Market: almost half of EU citizens having tried to obtain redress after a problem travelling by plane, bus or train consider this as particularly difficult.

ECC-net 2010 annual report: the most troublesome area is transport. In 2010, a third of complaints processed by the ECCs (33.2%) concerned airline passenger rights.

## 12. Consumers do not easily find their way in banking and financial services markets

Many consumers tend to refrain from switching banks, since bank offers are difficult to compare and bank fees tend to be opaque. Consumers also can struggle to make sound decisions about increasingly complex retail financial products.

**Who is concerned?** Consumers.

**What are possible root causes?** Poor comparability of banking and investment products and a lack of access to simple information and reliable advice.

*Example*

*In three years' time Didier wants his children to go to a good university. He therefore wants to put part of his salary into a savings account so that he can pay the university fee. But currently the interest rates that banks pay in Didier's home country are rather low. Didier therefore wants to invest his money in one of the special investment products that his bank offers, because these seem to offer bigger possible rewards over time. But looking at the website, he finds the presentation of the various investment products rather confusing. He also is not sure whether he will get his money back if the investment turns sour.*

Flash Eurobarometer 282 on cross-border sales and consumer protection: bank fees need to be transparent: 29% of EU consumers have difficulties in comparing offers in relation to their current accounts and so they are not in a position to choose the best account for their needs.

Fourth Consumer Markets Scoreboard (2010): the three retail financial services markets (credits and mortgages, current accounts, investment and pensions) are among the worst out of fifty consumer markets based on consumers opinions in terms of comparability, trust, problems complaints, ease of switching and overall satisfaction.

### 13. Europeans do not feel comfortable shopping on-line in other Member States

Many Europeans still do not feel comfortable shopping online, in particular when the seller is based in another country. They are worried about delivery, fraud and scams, and about what to do when problems arise. Likewise, some sellers still refrain from selling to customers in other countries because they fear regulatory differences, amongst other reasons.

Those who do shop on-line mostly have positive experiences. However, too many consumers face delivery problems and pricing differences, cannot use the means of payment they wish to, and where problems do occur, they do not find it easy to obtain redress.

**Who is concerned?** Consumers.

**What are possible root causes?** Lack of information about EU consumer rights, lack of proper application of the relevant rules, difficulties in obtaining redress for cross-border purchases, and remaining differences in consumer protection rules amongst the Member States.

#### *Example*

*Astrid in Belgium wants to buy a home recycling system of a kind which is not locally available. She finds some being sold on-line from UK-based on-line sellers, but they refuse to sell to customers outside the UK. She cannot find information on whether this constitutes discrimination under EU law.*

ECC-net 2010 annual report: in 2010 online purchases accounted for the biggest share of complaints (56% of the processed complaints).

### 14. In spite of an increased choice, many Europeans are frustrated by their energy bills

Many EU consumers would like to have clearer electricity supply offers. They feel poorly informed and have trouble understanding or changing their current supply contracts. They are put off from switching suppliers because of the difficulties in comparing offers, and obstacles to ending their existing contracts.

**Who is concerned?** Consumers.

**What are possible root causes?** Misapplication of EU law in some Member States, a lack of comparable information and complex offers.

Fourth Consumer Market Scoreboard (2010) found the retail electricity market to be among the worst performing markets for consumers. With better price comparability, 62% of consumers could switch to a cheaper tariff than their current one, potentially representing an average annual saving of 100 Euros per customer, amounting to 13 billion Euros EU-wide.

2011 quantitative Eurobarometer survey on the Internal Market - around 25% of EU citizens having switched providers for gas, electricity or phone consider this as particularly difficult.

### 15. Internet and telephone services could be better and cheaper

Many consumers experience problems with the provision of internet services as well as fixed and mobile telephony. Overall, consumers find it difficult to switch

providers of such service, because offers may be difficult to compare, and switching procedures may be cumbersome, lengthy and expensive. At the same time, the prices of internet access vary significantly across EU countries in ways which are not well explained by the differences in consumption patterns.

**Who is concerned?** Consumers.

**What are possible root causes?** Diverging national rules and uneven enforcement, lack of information, tying practices) and poor quality of service.

*Example*

*Anna is a student and likes TV shows. As she's rarely at home, she subscribes to several Internet websites that will allow her to stream her favourite shows at any time. But when she starts watching them, she discovers that her Internet connection is very slow, although she chose it because it was advertised as the fastest on the market. To get a discount on the monthly fee, she has also signed a contract for one year. Now she would like to withdraw from the contract and switch to another Internet service provider offering the speed that she needs, but the process is very complicated and expensive.*

Fourth Consumer Markets Scoreboard (2010) – Internet services provision is the market with which the largest number of consumers have experienced problems (26% of consumers surveyed reported problems).

## **16. Businesses are discouraged from participating in foreign public tenders**

Many companies still find it difficult to participate in public tenders opened by foreign public authorities, both as a contractor and as a subcontractor. Participation often requires country-specific documents, which may deter potential applicants from other Member States submitting offers.

For public tenders falling outside the scope of EU rules, companies may also struggle to find information about the tenders.

**Who is concerned?** Businesses.

**What are possible root causes?** Differences in national procurement practices and cumbersome administrative requirements in some Member States.

*Example*

*A German construction company wanted to participate in public procurement procedure in Poland for road construction works. The company collected all the documents required in the invitation to tender and translated them all into Polish. Once the tender process was over, the German firm decided not to respond to public tenders abroad again, as the entire process was more expensive for them than it would have been in Germany, and also more cumbersome as they had to deal with unfamiliar administrative and technical requirements.*

Tenders Electronic Daily database - until now, procurement indicators to measure cross-border activity have indicated limited direct cross-border procurement activity (between 1.2-1.5% of the number of awards).

## **17. Access to finance and support measures is too challenging**

Access to finance (both capital and debt finance) is a challenge for many enterprises, in particular SMEs.

In addition, many companies experience difficulties when trying to obtain access to support measures granted by other Member States, such as innovation support and guarantee schemes. They feel they are not on an equal footing with local companies when applying for such support schemes.

**Who is concerned?** Businesses.

**What are possible root causes?** Fragmentation and underperformance of (venture) capital markets, discriminatory practices in access to finance in some Member States.

#### **18. Burdensome rules and procedures prevent entrepreneurs and investors from doing business in another country**

Many entrepreneurs who want to establish a business in another country, and investors who would like to participate in cross-border ventures are confronted with burdensome rules and procedures and administrative challenges. National authorities often require extensive documentation or have set up lengthy administrative processes for accepting the business on the national market.

Likewise, importing goods and providing services abroad is often subject to excessive and sometimes discriminatory controls, requirements and authorisations.

**Who is concerned?** Businesses, investors.

**What are possible root causes?** Misapplication of EU law in some Member States. Legislative or administrative and procedural barriers which foreigners have greater difficulty meeting. Progress has been marked since the entry into force of the Services Directive but there is still much room for improvement.

##### *Example*

*A UK company wanted to have a food stand at a flea market in Spain. They applied for a licence at the local town hall. However, the licence was only granted a year and half later, and the UK company had to take many steps to obtain it.*

#### **19. Reclaiming VAT paid in another Member State is cumbersome**

Many businesses experience ineffective and slow procedures for reclaiming VAT paid in another Member State. Although a new electronic procedure has replaced an old and cumbersome paper procedure, many businesses claim that it does not seem to work well in practice.

**Who is concerned?** Businesses.

**What are possible root causes?** Divergent national rules and procedures, a lack of implementing regulations.

##### *Example*

*A Finnish architecture firm subcontracted to an Estonian architecture business as part of a larger contract in Estonia. For these and other services in connection with the contract, the architect initially paid the Estonian VAT. Later on, he applied for a refund. Four applications, six months, and several letters later, the Estonian authority still had not reacted to his application for a VAT refund in any way.*

## **20. Fighting for your intellectual property rights in a cross-border context remains very difficult**

Businesses may encounter many difficulties when trying to shield off their innovations against competitors and rogue traders. Getting patent and copyright protection across the EU is too expensive and cumbersome, in particular for SMEs. And businesses experience many difficulties when trying to take action against piracy or counterfeiting of their products in another EU country.

**Who is concerned?** Businesses.

**What are possible root causes?** Differences between and the complexity of national legal systems.

### *Example*

*A small enterprise working in ceramics design exhibited their new line at a trade fair. Later they were dismayed to find that cheap copies of their designs were flooding the market in the EU and even in their own home country. However, as a small business, they lacked the know-how to effectively engage enforcement, and did not feel that they would have the financial means to fight the counterfeit manufacturer and get redress through legal channels.*

2011 quantitative Eurobarometer survey on the Internal Market – in 15 EU countries, at least half of respondents believe that counterfeit products discourage companies from inventing new products and introducing them to the market.

## METHODOLOGY OF THIS PAPER

### Understanding real-life experiences and expectations

This paper presents a snapshot of the practical experience of citizens and businesses with 'their' Single Market.

This snapshot has been realised by superimposing an innovative set of data sources, providing an unfiltered or unmediated view of the single market:

- **Complaints and queries**

The main components of this paper were the complaints and queries brought to the assistance services by Europe's citizens and businesses. Given the wide mandate of these networks and the impressive number of cases handled by them throughout Europe, these data provide a good overview of *obstacles encountered* by those who want to make use of the rights and opportunities created by the Single Market.

In preparation of this paper, the Commission services made use in particular of a detailed analysis of all cases handled by assistance services over the course of 2009<sup>i</sup>. In addition, this report also draws on the findings of the 2010 annual reports of SOLVIT<sup>ii</sup>, Your Europe Advice<sup>iii</sup> and the European Consumer Centres<sup>iv</sup>, the 2009 and 2010 reports on SME Feedback activities of the Enterprise Europe Network<sup>v</sup>, a report on the recognition of professional qualifications<sup>vi</sup>, a ECC-net report on e-commerce.<sup>vii</sup> All of these reports were based on the problems and questions directed to the assistance services by Europe's citizens and businesses.

In addition, 620 recent complaints from citizens and businesses lodged with the Commission on alleged non-application of Single Market rules and handled through the EU Pilot and/or the infringement procedures were analysed.

***Who are the assistance services offering data for this report?***

- **SOLVIT** – a network created in 2002 to solve cross-border problems encountered by citizens and businesses due to incorrect application of EU rules by national public authorities, without formal procedures and within ten weeks. In 2010 SOLVIT handled almost 3800 cases, out of which 1363 fell within its competences;

- **Your Europe Advice (YEA)** – a network of experienced multilingual lawyers from all EU Member States who provide answers to European citizens' legal questions regarding the exercise of their EU rights in cross-border mobility situations. In 2010, YEA experts handled more than 12 000 queries;

- **Enterprise Europe Network (EEN)** – a network created to provide European businesses with transnational business cooperation, to benefit from the Single Market and to provide their feedback to legislation (SME panels). The network is made up of 600 support service organisations involving more than 3 000 staff in 50 countries;

- **European Consumer Centres (ECCs)** – a network created to provide consumers with information and help in dispute resolution, to enable them to take full advantage of the Single Market, in particular with regard to cross-border issues. The European Consumer Centres network handles over 70 000 cases every year;

- **Europe Direct Contact Centre (EDCC)** – the European Commission's multilingual central information service, accessible by free-phone, email or web-chat, which

provides answers to questions from the public concerning general information on the European Union's activities and policies, and guides citizens to the sources of information and advice that best meet their needs. Out of 100.000 enquiries handled overall in 2010, about 30.000 were related to cross-border issues and 5.200 were transferred to the legal experts of Your Europe Advice for further assistance;

- **European Employment Service (EURES)** – a network of more than 850 employment advisors who help match jobs to jobseekers across Europe.

## • Discussions and surveys

To complement and deepen the data provided by cases and complaints handled by the European Commission and assistance services, the paper also draws on findings from discussions and surveys with citizens, consumers and businesses and the staff of some assistance services.

A survey was launched in the form of *focus groups*. 48 discussion groups<sup>iv</sup> were held with citizens from all over the EU, in which participants were asked to identify what worked well and what did not work so well in the Single Market, based on their practical experience and understanding of the single market.

*Interviews* were also held with elected representatives<sup>viii</sup> and officials<sup>ix</sup> of local and government authorities, in order to enable local authorities to suggest ideas for better governance of the Single Market.

Existing<sup>x</sup> and new *surveys* were mined for data. In preparing this paper, the Commission services launched a quantitative Eurobarometer survey<sup>xi</sup> on obstacles and experiences in the single market, as well as specific consultations of EU businesses via the European Business Test Panel<sup>xii</sup>, the Enterprise Europe Network<sup>xiii</sup> and of mobile workers with EURES advisors network.<sup>xiv</sup>

Finally, to capture the 'local' dimension of the Single Market, the paper uses data from the Consumer Market Scoreboards<sup>xv</sup> and from in-depth market studies on poorly performing markets: e-commerce<sup>xvi</sup>, retail financial services<sup>xvii</sup> and retail electricity markets.<sup>xviii</sup>

These data provide a good idea of how people *experience* the single market and what they *expect* from it; and have been used to better understand the importance of the obstacles identified in the first category of data (cases and complaints only concern problem situations, they do not cover the full ground of all experiences, whether positive or negative).

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<sup>iv</sup> One focus group discussion took place in Cyprus, Luxembourg, Malta, Estonia, Latvia and Lithuania. Two focus group discussions took place in each of the remaining 21 Member States.

## Identifying the 20 main concerns: selection criteria and main findings

The data used offer a rich account of concrete experiences, problems and expectations. To select the 20 most important concerns amongst those, the following **criteria** were used:

- *Frequency*: How frequent / recurrent is the problem? Does it affect a large group of people?
- *Severity*: What is the effect of the problem? Does it render the exercise of (a) Single Market right(s) (simply) more onerous than it should be, or does it render the exercise of single market rights (quasi) impossible?
- *Geographical spread*: Is the problem present throughout the EU, or in one or few Member States only?

In addition, the paper represents the concerns of *all single market actors*: private persons (students, workers, self-employed, pensioners) and businesses. It focuses on the experiences of people and businesses engaging in activities across national borders, and also looks at the experiences of those that stay within their national borders, pointing to cases where consumers fail to benefit from the effects of market opening and increased competition in the EU-wide Single Market.

Given the wide set of materials used, offering a mix of qualitative and quantitative data, this paper offers a rich account of how the Single Market works in practice. Given the nature of the data however, the picture is built on a set of particular angles, reflects situations at a given moment in time, and may not necessarily be exhaustive. In addition, the process of selecting 20 main concerns, whilst based on objective criteria, meant that choices had to be made.

## TAKING THE ANALYSIS FORWARD

This paper seeks to gauge the current state of the single market, from the perspective of its citizens and businesses. The Commission services intend to repeat this snapshot in the future, so as to help assess where progress is marked, and where by contrast more efforts could be made to ensure that the Single Market lives up to its promise. This will, in turn, inform the political debate on new initiatives to be taken.

Experience thus far shows that much can be learned from the many complaints and queries handled by the Commission and by assistance services. Having said this, data are currently not always collected, analysed and reported on in a systematic manner (for instance, there is no systematic reporting on types of cases handled through CHAP or EU Pilot and there is room for improving the reporting systems of various assistance services).

There may also be room to include data from national sources, such as data from cases handled by national courts and national ombudsmen.

Whilst inviting all stakeholders to reflect on the outcomes of this first snapshot of main concerns, the Commission services also stand ready to further improve existing tools to listen to citizens and business concerns, in co-operation with all concerned.



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- <sup>i</sup> "Understanding citizens' and businesses' concerns with the single market. A view from the assistance services", May 2011, report by Ramboll management;
- <sup>ii</sup> SOLVIT 2010 annual report: "Development and performance of the SOLVIT network in 2010";
- <sup>iii</sup> Your Europe Advice 2010 annual report on the functioning and development of the Your Europe Advice service;
- <sup>iv</sup> The European Consumer Centres' Network 2010 annual report, 6 June 2011;
- <sup>v</sup> Two reports for 2009 and 2010 on SME Feedback activities of the Enterprise Europe Network;
- <sup>vi</sup> Report by the Citizens Signpost Service (now Your Europe Advice) on the recognition of professional qualifications: "The mobility of professionals in practice", 26 February 2010;
- <sup>vii</sup> "The European Online Marketplace: Consumers Complaints 2008-2009. A summary and analysis of consumer complaints reported the European Consumer Centres' Network"; the fifth E-commerce report, October 2010;
- <sup>viii</sup> 5 interviews were held in each Member State with elected representatives from a range of local and government authorities;
- <sup>ix</sup> 9 interviews were held in each Member State with senior employees from a range of local and government authorities. The respondents were all responsible at a local level for implementing EU policy or regulating economic activities in their locality (e.g. granting permits, licensing recognition of qualifications, purchase of premises and/or carry out economic activities);
- <sup>x</sup> Special Eurobarometer survey number 337: "Geographical and labour market mobility", published in June 2010; Qualitative Eurobarometer, "European citizenship – cross-border mobility", August 2010; Flash Eurobarometer number 282: "Attitudes towards cross-border sales and consumer protection", published in March 2010;
- <sup>xi</sup> Special Eurobarometer survey number 363: "The Awareness, Perception and Impacts of the Internal Market". The survey was run in February 2011 as individual interviews with a 26 836 citizens from all over the EU. The results of the survey provide statistically representative data on the Single Market's benefits and on problems experienced by EU citizens;
- <sup>xii</sup> The EBTP is panel of individual companies (currently there are 3611 members of EBTP) regularly consulted on European Commission policy initiatives on their day-to-day business activities. The consultation launched in April 2011 received 359 replies;
- <sup>xiii</sup> "Help us identify business obstacles in the Internal Market", April 2011. The consultation received 749 replies;
- <sup>xiv</sup> "Help us identify mobile workers' obstacles in the Internal Market", May 2011. The consultation received 198 replies;
- <sup>xv</sup> Consumer Conditions Scoreboard: Consumers at home in the single market, 5th Edition – March 2011; Consumer Markets Scoreboard: Making Markets Work For Consumers, 4th edition – October 2010;
- <sup>xvi</sup> "Report on cross-border E-commerce in the EU", Commission staff working document; SEC(2009) 283 final, Brussels, 5.3.2009;
- <sup>xvii</sup> Commission staff working document on the follow up in retail financial services to the consumer markets scoreboard, SEC(2009) 1251 final, Brussels, 22.9.2009;
- <sup>xviii</sup> "The functioning of the retail electricity markets for consumers in the European Union", Commission staff working paper, SEC(2010) 1409 final, Brussels, 11.11.2010.