DRAFT REPORT

on the Single Market for Europeans
(2010/2278(INI))

Committee on the Internal Market and Consumer Protection

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the Single Market for Europeans
(2010/2278(INI))

The European Parliament,

- having regard to the Charter of Fundamental Rights of the European Union, as incorporated into the Treaties by Article 6 of the EU Treaty,
- having regard to Article 26 of the Treaty on the Functioning of the European Union, stipulating that ‘the internal market shall comprise an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured in accordance with the provisions of the Treaties’,
- having regard to Article 3(3) of the EU Treaty, which commits the Union to working for ‘a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment’,
- having regard to Article 9 of the Treaty on the Functioning of the European Union, stipulating that ‘in defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health’,
- having regard to Article 11 of the Treaty on the Functioning of the European Union, stipulating that ‘environmental protection requirements must be integrated into the definition and implementation of the Union policies and activities, in particular with a view to promoting sustainable development’,
- having regard to Article 12 of the Treaty on the Functioning of the European Union, stipulating that ‘consumer protection requirements shall be taken into account in defining and implementing other Union policies and activities’,
- having regard to Article 14 of the Treaty on the Functioning of the European Union and Protocol 26 thereto on services of general (economic) interest,
- having regard to the Commission Communication to the European Council ‘Europe 2020, a strategy for smart, sustainable and inclusive growth’ (COM(2010)2020),
- having regard to the Commission Communication ‘Towards a Single Market Act – for a highly competitive social market economy’ (COM(2010)0608),
- having regard to the Commission Communication ‘A citizen’s agenda – delivering results for Europe’ (COM(2006)0211),
- having regard to the Commission Communication ‘A Single Market for 21st century Europe’ (COM(2007)0724) and the accompanying Commission staff working document...

– having regard to the Commission Communication ‘Opportunities, access and solidarity: towards a new social vision for the 21st century’ (COM(2007)0726), the Commission Communication on ‘Services of general interest, including social services of general interest: a new European commitment’ (COM(2007)0725) and Parliament’s resolution of 27 September 2006 on the Commission White Paper on services of general interest,

– having regard to the Commission Recommendation of 29 June 2009 on measures to improve the functioning of the single market and the Commission Recommendation of 12 July 2004 on the transposition into national law of Directives affecting the internal market,

– having regard to the Internal Market Scoreboard of July 2009 (SEC(2009)1007) and to Parliament’s resolutions of 9 March 2010 and 23 September 2008 on the Internal Market Scoreboard,


– having regard to the Commission Communication on ‘Cross-border business-to-consumer e-commerce in the EU’ (COM(2009)0557),

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having regard to its resolution of 9 March 2010 on consumer protection\(^1\),

having regard to Professor Mario Monti’s report to the Commission on revitalising the Single Market,

having regard to its resolution of 20 May 2010 on delivering a Single Market to consumers and citizens\(^2\),

having regard to its resolution of 20 October 2010 on the financial, economic and social crisis\(^3\);

having regard to the Commission Communication on ‘Youth on the Move’ (COM(2010)0477),

having regard to its resolution of 21 September 2010 on completing the internal market for e-commerce\(^4\),

having regard to the Commission Communication ‘EU Citizenship Report 2010: Dismantling the obstacles to EU citizens’ rights’ (COM(2010)0603),

having regard to the report of the European Economic and Social Committee, Section for the Single Market, Production and Consumption, on ‘Obstacles to the European Single Market 2008’\(^5\),

having regard to SOLVIT’s 2008 annual report on the development and performance of the SOLVIT network (SEC(2009)0142), the Commission staff working paper of 8 May 2008 on an action plan on an integrated approach for providing Single Market Assistance Services to citizen and business (SEC(2008)1882) and Parliament’s resolution of 9 March 2010 on SOLVIT\(^6\),

having regard to Regulation (EC) No 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products, which aims to create an overall framework of rules and principles for accreditation and market surveillance\(^7\),

having regard to Rule 48 of its Rules of Procedure,

having regard to the report of the Committee on the Internal Market and Consumer Protection (A7-0000/2010),

A. whereas the Single Market is one of the main drivers of European growth and should be a real economic pillar of the EU by overcoming economic and competitiveness divergences,

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\(^1\) Texts adopted, P7_TA-PROV(2010)0046.
\(^3\) Texts adopted, P7_TA(2010)0376.
distortions and the uneven treatment of European enterprises and citizens,

B. whereas the Single Market is not only an institutional structure, facing economic, financial and social challenges, but also a way of protecting specific fundamental rights of citizens, consumers, workers and small businesses (SMEs),

C. whereas too many obstacles stand in the way of citizens and SMEs wishing to move, shop, sell or trade across borders, and a lack of portability in social security rights, corporatism and red tape reduce the free movement of workers, service providers and professionals,

D. whereas the lack of a holistic vision for other horizontal policies, such as health, social and consumer protection, labour law, the environment and sustainable development, hampers the Single Market enlargement,

E. whereas the Single Market allows Europeans more choice, especially for those who live in less accessible areas and those who suffer from reduced mobility,

I. Core objectives


2. Considers that efforts to achieve the Single Market need to concentrate on the concerns and rights of citizens, consumers and SMEs in order to overcome the current ‘European fatigue’;

3. Points out that the confidence of citizens and consumers cannot be taken for granted but needs to be nurtured;

4. Considers that the Communication’s proposals are still too weak to put citizens at the heart of the Single Market, and the proliferating number of EU initiatives without clear prioritisation creates a need for consistency and good governance to ensure the coherence of European integration measures;

5. Highlights the priorities set out in the 19 proposals in accordance with five criteria – basic social rights, consumer rights, free movement of workers, free movement of goods and socially oriented corporate institutions – to provide tangible benefits for citizens and enterprises in a feasible period of time;

II. Common principles and values

6. Insists on the need to insert a ‘horizontal social clause’ in all Single Market legislation so that policy is developed centring on citizens’ basic social rights: (a) the right to take collective action, (b) workers’ rights and labour law, and (c) employment protection, anticipating the planning of industrial restructuring in accordance with Article 9 of the Treaty on the Functioning of the European Union and the Charter of Fundamental Rights;

7. Reaffirms the importance of each of the following proposals’ impact on the lives of European citizens:
7.1 application of the horizontal social clause to all measures as a common priority;

7.2. revision of the Posting of Workers Directive;

7.3. a framework directive on services of general economic interest;

7.4. a new regulation on the recognition of professional qualifications, on improving human resources mobility, and on providing equal access and opportunities for citizens;

7.5. immediate action on a single mortgage market, to help the recovery of the housing market and European citizens’ confidence in the relevant financial instruments;

7.6. an appropriate EU-financed trans-European transport and energy network, as a form of social and territorial inclusion for European citizens and economies;

7.7. effective regulation of market surveillance and product safety, to reinforce consumer protection;

8. Calls upon the Member States and the Commission to promote communication with citizens to ensure their rights are widely understood and enforced;

9. Stresses the need to facilitate the recognition of professional qualifications; guarantee the portability of mobile workers’ pension funds; provide training outside the classroom leading to a skills passport; and introduce the ‘youth on the move’ card;

10. Calls for measures to set up a legal framework for foundations, cooperatives and mutual associations, to prevent legal uncertainty and to ensure there are socially oriented corporate institutions and socially innovative corporate projects in the area of services of general interest;

11. Stresses the importance of training civil servants in Single Market rules, market surveillance and product safety;

III. Gaps

12. Considers that the programme does not sufficiently analyse the causes of market fatigue or the expectations of Europe’s citizens from a revived Single Market;

13. Regrets the lack of concrete proposals on the collective redress mechanism, except for continuing the consultation;

14. Considers that the Communication does not stress the importance of social services; considers this is far from the quality framework promised by the Commission President;

15. Emphasises the lack of a Digital Single Market, and calls for the democratisation of broadband and for continuous review of the Regulation on the telecoms sector ensuring privacy, data protection, and the protection of vulnerable groups;

IV. Short-term strategies

17. Calls for short-term strategies:

(a) to enhance European market surveillance, improve access to basic banking services, create a single integrated mortgage market and remove tax obstacles and double taxation;

(b) to implement an e-commerce policy in order to increase citizens’ and consumers’ confidence when shopping online;

(c) to devise an action plan against counterfeiting and piracy as a major preventive tool, in order to ensure that goods circulating in the Single Market are safe to consume, of the appropriate standard and legal;

(d) to develop an effective communication policy on the Single Market Act, based on a policy audit assessing its tangible benefit (tangibility) to citizens;

(e) to introduce a system of benchmarks, based on the horizontal social clause, to assess the relevance of all Single Market measures in terms of their social impact, tangibility and feasibility;

18. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States.
EXPLANATORY STATEMENT

On 11th November 2010, the Commission adopted a communication proposal to renew Europeans’ trust in the Single Market. This Single Market Act will be under discussion until February 28, 2011. The overall approach proposed by the Commission is a continuation of the report by Mario Monti to the President of the European Commission, ‘A new strategy for the Single Market’. Its purpose, in accordance with Article 3 of the Treaty on European Union, is to strengthen ‘a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment’ by placing companies, especially SMEs, and Europeans at the heart of the Single Market.

The Commission Communication ‘Towards a Single Market Act for a highly competitive social market economy’ — contains 50 proposals for improving our work, business and exchanges with one another’ and specially the chapter II ‘Restoring confidence by putting Europeans at the heart of the Single Market’ contains 19 initiatives on the social dimension of the Single Market.

The Grech report adopted by the Parliament in May 2010, recommended a truly holistic approach to the re-launch and strengthening of the Internal Market, encompassing key sectors such as industrial, energy and infrastructure EU policies. However the Commission Communication in the correlation with the EU 2020 strategy is weak and unclear, and overlaps with different Flagship initiatives. More consistency, effectiveness and better governance is needed for a renewed Single Market to foster EU growth, employment, competitiveness and to empower citizens and consumers. The Council and the Member States both have to foster European commitment and national ownership towards the deepening and strengthening of the Single Market.

Efforts to achieve the Single Market have been concentrated on the market and its organisation and very little on concerns and rights of citizens, workers and consumers which can explain the Europeans reluctance and fatigue regarding the Internal Market. Citizens need to be placed at the heart of the Single Market. This is clearly stated in the introduction of the document; however, the proposals to implement that goal are too weak to achieve it.

The Commission proposes a pact for improving the three components of the Single Market at the same time: economic, social and governance. This comprehensive approach is indeed structured in three parts and 50 specific proposals of legislative or operational nature:

1. Strong, sustainable and equitable growth for business (24 proposals)
2. Restoring confidence by putting Europeans at the heart of the Single Market (19 proposals)
3. Dialogue, partnership, evaluation: the keys for good governance of the Single Market (7 proposals)

This report responds to the 19 proposals included in Chapter 2 of the Single Market Act, deepening on some priority questions and specifically upon the work done in the report by Mr

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Grech and the paper by Mr Monti.

**Basic social rights**

A social clause has to be inserted in all Single Market legislation in line with Article 9 TFEU and the Charter of Fundamental Rights of the European Union so that policies developed are truly citizen-centred, distortions of competition are avoided and cohesion is ensured by fully respecting social and workers rights.

The insertion of a social clause in all Single Market legislation aiming at safeguarding labour law, working conditions and workers rights can build upon the positive *acquis* represented by article 1.6 and 1.7 and recital 14 of Directive 2006/123/EC on services in the internal market.

The Commission has the duty to fulfil the objective of a thorough social impact assessment when developing Single Market legislation. In practice, a more ambitious approach on the proposal relating to the Posting of Workers Directive is needed, aiming at a revision of the directive which ensures, along with the economic freedoms, the protection of most advanced labour law and industrial relations standards and practices, as well as the respect of the rights of collective representation and bargaining, collective action, including the right to strike, and the full implementation of the principle of equal pay for work of equal value.

The Commission’s failure to meet the Parliament’s request in its Resolution of October 2010 on the economic crisis, to introduce legislation and to bring legal certainty to Services of General Economic Interest is a reason for concern, having in mind that the Lisbon Treaty introduced a new legal base specifically for that purpose.

The Communication does not include a proposal on Services of General Interest as promised by the President of the European Commission. The Single Market Act should put emphasis also on Social Services. The Communication makes a reference of legislative proposals only on concessions and public procurements.

A consultation with the social partners in order to create a European framework for the advance planning of industrial restructuring is highly praised: sustainable industrial restructuring and a European framework of consultation with social partners are key to the development of a social friendly Single Market.

**Consumer Rights**

The legislative proposal on access to banking services and mortgage credit is welcome. Transparency relating to bank charges and mortgages’ credit real costs and conditions are essential both to protect consumers and investors and to guarantee sound and stable financial institutions, ensuring access to credit for citizens and small business.

Enhanced European market surveillance on safety of products, underlines the need for an efficient legal framework for product safety in the EU. It also supports the review of the General Product Safety Directive and the CE marking system to ensure that it could be considered as a safety signal by consumers.
Free movement of workers

The need to address still outstanding issues on free movement of workers is more and more urgent, in areas such as: recognition of professional qualifications; pension funds of mobile workers; training outside classroom and a skills passport; the ‘youth on the move’ card as well as the reinforcement of rights of air (and other) passengers.

The Commission’s Proposal to re-examine the Directive and to develop the Green Paper on Pensions is also welcome. It highlights the importance of adequate pensions and a sustainable pension system which is reached best by a solid tripartite system including public, occupational and private pension schemes guaranteed by specific regulation and supervision to protect investors.

Free movement of workers can be fostered through a European common policy for the development and valorisation of human capital based on knowledge and long life learning and of employability of workers able to adapt to changing production models and economic dynamics.

Deepening the Single Market for a Europe of Added Value

A Single Market for energy able to boost European economy and competitiveness, reducing external dependence and making energy prices more affordable is very clear now; legislative and non-legislative initiatives on energy should aim both at safeguarding the supply of energy through a diversified energy network, new infrastructures of renewable energy and coordinated research and development on new energy sources; such initiatives should be taken on a basis of close coordination between the Commission, the Member States and the relevant sectors of the industry.

A real deepening of the Single Market benefiting citizens, business and European competitiveness relies on the capacity to develop European Value Added projects in material and immaterial infrastructures to be steered and financed at EU level; the European Commission should come forward with appropriate legislative proposals in this area.

The intention to develop an European transport network by a common framework of European funding, boosting competitiveness and integration and facilitating citizens and workers mobility through affordable services is welcome; a high-speed public rail service connecting all Member States, together with plans to facilitate investment in its material and financial infrastructure are more and more pressing.

Socially Oriented Corporate Institutions

The Social Business Initiative to develop and support socially innovative corporate projects within the Single Market is very interesting and innovative; it draws attention to the contribution of social economy for a balanced development of the Single Market boosting growth, employment and social inclusion.
The need to further develop measures aiming at a responsible and accountable corporate management and governance is a way to give a positive contribution to the real economy and society; key objectives such as sound and responsible remuneration policies, adequate participation of women in management and decision-taking boards, valorisation of long-term shareholder commitment, enhancement of employee consultation, participation and shareholding schemes should be at the heart of the consultation and the consequent legislative measures.

The revision of or introduction of new legislation relating to Cooperatives, Foundations and Mutual Associations should be accompanied by specific regulation dealing with society and workers rights of information and consultation through the provision of community and workers councils.

Outstanding issues still call for a sound communication strategy: how citizens can be better involved and empowered through improved access to information; how to reach out more widely to citizens to ensure information about their rights in the Single Market including collective redress; how to improve cross border contacts; how to speed up recognition of professional qualifications to enhance mobility; how to increase research for more innovation.

This Act was adopted at the same time as the EU Citizenship Report 2010: *Dismantling the obstacles to EU citizens’ rights*, which focuses on eliminating obstacles encountered by the citizens when they travel, study, get married, retire, buy or inherit property or vote in another Member State. The Single Market Act and the Citizenship Report complement each other, being intended to overcome the continuing fragmentation of the European Union in areas of direct interest to citizens, in order to create a people’s Europe and an efficient Single Market to meet the needs and expectations of citizens and businesses.

**Priorities setting**

There is a practical need of identifying priorities among the nineteen proposals. They should be selected according to five key values — basic social rights, free movement of workers, free movement of goods, socially oriented corporate institutions and consumer rights. However, quick practical results for the citizens are needed. The final setting of priorities in action shall bear in mind proposals that may bring tangible benefits for citizens and consumers (tangibility), and be easily attainable, in a relatively short period of time (feasibility).

A policy audit on the tangibility of all measures for the citizen is highly needed; an assessment of the ease of implementation of such measures (feasibility), starting with the 2011 plan is also a key concern. In the absence of such instruments, we identified five areas of immediate implementation during 2011:

I. To enhance European market surveillance, better access to basic banking services, a single integrated mortgage market, removing tax obstacles and double taxation;

II. The rapid and effective implementation of an e-commerce policy in order to increase citizens’ and consumers’ trust while shopping online;
III. An action plan against counterfeiting and piracy as a major preventive tool, to guarantee that goods circulating in the Single Market are safe to consume, of the appropriate standards and legal;

IV. The development, by the Commission and the Member States of an effective communication policy on the Single Market Act, based on a policy audit of its tangibility to citizens;

V. A system of benchmarks, based on the horizontal social clause, to assess the relevance of all Single Market measures based on their social impact, tangibility and feasibility, to be used as a basis for future policy.