



2015/2354(INI)

19.4.2016

OPINION

of the Committee on Employment and Social Affairs

for the Committee on the Internal Market and Consumer Protection

on the Single Market Strategy
(2015/2354(INI))

Rapporteur: Ulrike Trebesius

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SUGGESTIONS

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

- having regard to Article 3 of the Treaty on European Union (TEU) and Article 9 of the Treaty on the Functioning of the European Union (TFEU),
 - having regard to its resolution of 14 January 2014 on effective labour inspections as a strategy to improve working conditions in Europe¹,
 - having regard to its resolution of 19 January 2016 on Towards a Digital Single Market Act²,
- A. whereas the economic consequences of the financial crisis are still being felt and GDP remains below the level of 2008 in several Member States;
- B. whereas the Single Market is characterised by persistently high unemployment rates; whereas since the financial crisis the number of unemployed has increased by over six million; whereas by the end of 2015 there were more than 22 million people in the Union without work;
- C. whereas policies to lower labour, social, environmental and consumer protection standards are forcing a race to the bottom, thereby contributing to the distortion of fair competition in the Single Market;
1. Notes with approval the Single Market Strategy (SMS), which could offer opportunities for workers, businesses and consumers and inject new life into Europe's economies by opening up borders, facilitating mobility, and removing barriers for goods and services;
 2. Notes that good regulation can benefit businesses and workers alike and help promote economic growth and quality employment in the Single Market; notes the Commission's Better Regulation agenda including the strengthened stakeholder involvement by means of REFIT Platform for example and strengthened impact assessments; underlines the need to assess not only short-term effects but also the long-term value of legislation and the consequences of non-legislation; believes that better, more effective and simple legislation will reduce administrative burdens and boost growth and job creation while continuing to ensure high standards of consumer, employee, health and environmental protection;
 3. Notes that the establishment of the internal market in which the free movement of goods, persons, services and capital is ensured is an essential objective of the Union;
 4. Notes the importance of promoting mobility through training, apprenticeships, skills and employability via programmes like Erasmus+ and EURES, which provide opportunities for millions of EU workers to gain useful experience;

¹ Texts adopted, P7_TA(2014)0012.

² Texts adopted, P8_TA(2016)0009.

5. Stresses that the Single Market Strategy must take the social dimension into account in line with Article 3 TEU and Article 9 TFEU and include proposals to combat unemployment and social exclusion; underlines that the SMS must put more emphasis on combating unemployment and in particular long-term, youth and 50 + unemployment and the promotion of social cohesion; calls on the Commission to review its strategy in this regard;
6. Stresses that the Single Market Strategy must not disregard the potential of the industrial sector in terms of sustainable growth and quality employment in Europe;
7. Believes that in order to ensure the objectives of the Single Market and to generate growth and jobs, the EU must enhance competitiveness, along the lines set out in the Declaration of the European Council on competitiveness;
8. Considers that internal demand – and especially improving purchasing power, the adoption of innovative measures and investment in the green economy – is essential for tapping the full potential of the Single Market and for promoting sustainable growth;
9. Believes that barriers to doing business across borders can hamper growth and job creation; calls therefore for a thorough analysis of the matter on a case-by-case basis; stresses that Member States have the right to regulate services and professions in line with their social policy; supports the establishment in border areas of EURES cross-border partnerships, which play a key role in the development of a genuine European labour market;
10. Recalls its 2014 report on effective labour inspections which highlights the importance of labour inspectorates in preventing distortions of the Single Market; calls for clear EU rules on the coordination of social security systems; invites the Commission to produce a study in cooperation with the Member States on the potential added value of introducing a European labour inspectorate and a European social security card;
11. Believes that without competitive professional and business services across the EU businesses may struggle to remain competitive and maintain and create new jobs;
12. Recalls that competition policy is enforced at EU level; highlights that unfair competition in the single market has a negative effect on law-abiding businesses, in particular SMEs; calls on the Commission together with the Member States to take decisive measures to tackle unfair competition that is based on for example avoidance of social, fiscal or labour law;
13. Considers the principle of equal pay for equal work at the same place as advocated by Commission President Junker as an important tool to fight market distortions;
14. Recalls that all workers in the Single Market must have the right to enjoy the highest possible level of protection as regards health and safety at work regardless of the size of the company which employs them, the place of employment or the underlying contract;
15. Calls on Member States to set up structures to advise and assist cross-border workers with regard to the economic and social consequences of working in another Member State;

16. Notes that the deepening of the single market and the digital single market can bring new opportunities and challenges and will raise questions in terms of skills, new forms of employment, financial structures, social protection, as well as health and safety at work, all of which will have to be addressed and must bring benefits to workers, businesses and consumers alike;
17. Regrets that the SMS does not devote particular attention to skills mismatches, which remains a barrier to growth in the single market; notes with concern that between 40 %-47 % of the population in the EU is insufficiently digitally skilled and that the demand for digitally skilled employees is growing by 4 % per year while public expenditure on education has seen a 3.2 % decrease since 2010, which poses a threat to the EU's competitive position in the medium term and to the employability of its labour force; encourages Member States to invest in digital education and skills;
18. Notes the opportunities and the challenges of the collaborative economy for job creation, economic growth and a more inclusive labour market; calls on the Commission to publish, in the near future, guidelines on how EU law applies to the various types of collaborative economies in order to eliminate regulatory uncertainty; stresses that the collaborative economy must not lead to an avoidance of tax and social contributions nor to non-compliance with employment and social legislation; notes the need to adapt and modernise legislation in order to achieve the full potential of the collaborative economy and calls on the Commission and the Member States to examine the need for a framework, at the most appropriate level, that will fill any potential regulatory gap and avoid an increase in precarious and bogus self-employment;
19. Welcomes the intention of the Commission to issue guidelines on the collaborative economy, which will provide much needed legal certainty in many areas such as health and safety norms, social security and employment protection;
20. Notes the aims of the labour mobility package to contribute to a deeper and fairer single market; stresses however the importance of ensuring that measures contained in this package are proportionate and take into account the consequences of large amounts of mobility to particular regions;
21. Takes the view that the SMS can offer fresh opportunities to SMEs which are the backbone of EU economies, and to micro-enterprises and innovative start-ups; believes that developing the right business environment by improving private venture capital frameworks for SMEs, facilitating access to finance, producing sound legislation and fully applying the 'Think Small First' principle across the single market is crucial and could support growth and job creation;
22. Believes that particular attention must be paid to developing efficient and transparent administrative requirements for businesses; calls for one-stop shops to be set up in the Member States to support SMEs and business start-ups through simplified VAT requirements for example;
23. Highlights the Commission's support for dual education systems which in addition to facilitating personal development can help tailor the skills and qualifications of European workers more closely to the real needs of the labour market; stresses the importance of ensuring that the SMS does not in any way undermine dual education systems while

ensuring the quality of apprenticeships and in particular employment protection; underlines the important role of social partners in the development of dual education systems; believes that while a dual education system used in one Member State cannot be simply copied by another Member State there should be a European focus on the strong correlation between dual education and youth employment;

24. Notes that the services market remains fragmented; calls on the Commission to ensure the correct implementation of the Services Directive by the Member States and to deliver the necessary reforms that will remove barriers in the service sector by adopting a targeted sector-specific approach for services without lowering standards of consumer, employee, health and environmental protection as well as, where appropriate, Member States' industrial relations systems; points out that inadequate enforcement of existing rules limits opportunities for businesses and hampers job creation; underlines that assessments show that when administrative barriers are lower, more businesses are created and thereby the potential for job creation is strengthened;
25. Welcomes the Commission's legislative proposal to address regulatory barriers restricting access to certain professions as an important step in opening up the single market and fostering job growth;
26. Calls on the Commission to work towards a simplified and standardised form in the procedure for the cross-border provision of services in order to reduce the requirements in relation to the posting of workers and thereby integrate SMEs more effectively into the internal market;
27. Believes that the lowering of administrative burdens and compliance costs on businesses, especially SMEs, and repealing unnecessary legislation, while continuing to ensure high standards of consumer, employee, health and environmental protection is key to delivering the objectives of the SMS;
28. Stresses in this regard the need to increase, in an effective manner, the information on EU funds available to SMEs, micro-enterprises and innovative start-ups; points out, moreover, that to ensure the quality of the use of EU funds it is essential to implement a system to supervise and monitor the use of those resources;
29. Calls on the Commission to work with the Member States to simplify and speed up procedures for the recognition of professional qualifications, including by facilitating and encouraging the introduction of Common Training Frameworks while fully respecting the principle of subsidiarity; calls on the Commission and the Member States to boost ICT and STEM training and education in order to equip both the current and the future workforce with the relevant e-skills;
30. Supports measures in favour of closing the gaps in EU anti-discrimination legislation in employment especially with regard to people with disabilities; supports, in addition, the implementation without delay of Council Directive 2000/78/EC on equal treatment in employment and occupation;
31. Takes note of the Commission's proposal to introduce a services passport for companies, which aims to further promote the free movement of services; believes that such a passport should be without prejudice to the competence of the host Member States to

ensure the effective enforcement and control of national and European employment legislation; expresses its strong concerns regarding the potential misuse of such an instrument in this respect and calls on the Commission to conduct a comprehensive regulatory impact assessment of the proposal in order to assess its opportunities and risks;

32. Calls on the Member States to make use of the possibility to introduce social requirements in the context of public procurement;
33. Calls on the Commission and the Member States to support quality employment in the collaborative economy by adapting and modernising legislation, preventing legal grey areas where existing requirements in relation to tax and employment law and other regulations as well as consumer rights are undermined, while at the same time providing a regulatory framework that will allow entrepreneurs to grow, innovate and create jobs; calls on the Commission, in addition, to promote specific support for entrepreneurs in the collaborative economy in order to help achieve the objectives of growth, innovation and job creation;
34. Welcomes the establishment of a platform for combating undeclared work and encourages Member States and social partners in particular to engage fully with that platform so that more effective action may be taken against undeclared work and bogus self-employment;
35. Insists that in order to harness the opportunity arising from the digitalisation of jobs, there is a need to create secure flexible working time arrangements, stable working conditions, social protection and to facilitate 'smart working' to improve productivity and work-life balance; stresses the importance of rolling out digital infrastructure in rural areas in this regard in order to take advantage of the wide range of opportunities offered by the digital agenda, for example teleworking;
36. Restates its firm opposition to the Commission proposal for a directive on single-member private limited liability companies;
37. Highlights the importance of strong and independent social partners and effective social dialogue; emphasises the need to involve the social partners where appropriate in discussions on possible national reforms of regulated professions;
38. Stresses the importance of having a social dialogue about the opportunities and changes that a single market brings as regards employment.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	19.4.2016
Result of final vote	+: 43 -: 8 0: 3
Members present for the final vote	Laura Agea, Guillaume Balas, Tiziana Beghin, Brando Benifei, Vilija Blinkevičiūtė, Enrique Calvet Chambon, David Casa, Ole Christensen, Martina Dlabajová, Lampros Fountoulis, Elena Gentile, Arne Gericke, Marian Harkin, Danuta Jazłowiecka, Rina Ronja Kari, Jan Keller, Ádám Kósa, Agnieszka Kozłowska-Rajewicz, Jean Lambert, Jérôme Lavrilleux, Patrick Le Hyaric, Verónica Lope Fontagné, Javi López, Morten Løkkegaard, Thomas Mann, Dominique Martin, Anthea McIntyre, Elisabeth Morin-Chartier, Emilian Pavel, João Pimenta Lopes, Georgi Pirinski, Marek Plura, Claude Rolin, Anne Sander, Sven Schulze, Siôn Simon, Jutta Steinruck, Romana Tomc, Yana Toom, Ulrike Trebesius, Marita Ulvskog, Renate Weber, Tatjana Ždanoka, Jana Žitňanská
Substitutes present for the final vote	Maria Arena, Georges Bach, Lynn Boylan, Paloma López Bermejo, Edouard Martin, Csaba Sógor, Monika Vana, Kosma Złotowski
Substitutes under Rule 200(2) present for the final vote	John Stuart Agnew, Sylvie Goddyn