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# REPORT

on delivering a single market to consumers and citizens  
(2010/2011(INI))

Committee on the Internal Market and Consumer Protection

Rapporteur: Louis Grech

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on delivering a single market to consumers and citizens (2010/2011(INI))

*The European Parliament,*

- having regard to the Commission communication to the European Council on ‘Europe 2020, a strategy for smart, sustainable and inclusive growth’ (COM(2010)2020),
- having regard to Professor Mario Monti’s report to the Commission on revitalising the single market<sup>1</sup>,
- having regard to the Commission communication on ‘A citizen’s agenda – delivering results for Europe’ (COM(2006)0211),
- having regard to the Commission communication on ‘A single market for 21st century Europe’ (COM(2007)0724) and the accompanying Commission staff working document entitled ‘The single market: review of achievements’ (SEC(2007)1521), Parliament’s resolution of 4 September 2007 on the single market review<sup>2</sup> and the Commission staff working document entitled ‘The single market review: one year on’ (SEC(2008)3064),
- having regard to the Commission communication on ‘Opportunities, access and solidarity: towards a new social vision for the 21st century’ (COM(2007)0726) and to 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<sup>3</sup>,
- having regard to the Commission recommendation of 29 June 2009 on measures to improve the functioning of the single market<sup>4</sup> and the Commission recommendation of 12 July 2004 on the transposition into national law of directives affecting the internal market<sup>5</sup>,
- having regard to the Internal Market Scoreboard of July 2009 (SEC(2009)1007) and to Parliament’s resolutions of 9 March 2010<sup>6</sup> and 23 September 2008<sup>7</sup> on the Internal Market Scoreboard,
- having regard to the communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee entitled ‘EU Consumer Policy strategy 2007-2013 – Empowering consumers, enhancing their welfare, effectively protecting them’ and Parliament’s resolution of 20 May 2008 on the ‘EU consumer policy strategy 2007-2013’<sup>8</sup>,

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<sup>1</sup> Expected in April 2010.

<sup>2</sup> O.J. C 187/E, 24.7.2008, p. 80.

<sup>3</sup> O.J.C 306/E, 15.12.2006, p. 277.

<sup>4</sup> O.J. L 176, 7.7.2009, p. 17.

<sup>5</sup> O.J. L 98, 16.4.2005, p. 47.

<sup>6</sup> Texts adopted, P7\_TA(2010)0051.

<sup>7</sup> O.J. C 309E, 4.12.2008, p. 46.

<sup>8</sup> O.J. C 180/E/26, 17.7.2008, p. 26.

- having regard to the Commission communication of 28 January 2009 entitled ‘Monitoring consumer outcomes in the single market – Second edition of the Consumer Markets Scoreboard’ (COM(2009)0025) and to the accompanying Commission staff working document entitled ‘Second Consumer Markets Scoreboard’ (SEC(2009)0076),
- having regard to the Commission communication of 2 July 2009 on the enforcement of the consumer *acquis* (COM(2009)0330) and to the Commission report of 2 July 2009 on the application of Regulation (EC) No 2006/2004 of the European Parliament and the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws (the ‘Regulation on consumer protection cooperation’) (COM(2009)0336),
- having regard to its resolution of 9 March 2010 on consumer protection<sup>1</sup>,
- having regard to the Commission communication on ‘Cross-border business-to-consumer e-commerce in the EU’ (COM(2009)0557),
- 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’<sup>2</sup>,
- 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<sup>3</sup>,
- 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 in relation to accreditation and market surveillance,
- having regard to Article 26 of the Treaty on the Functioning of the European Union (TFEU), 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 Treaty on European Union (TEU), 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 the Charter of Fundamental Rights of the European Union, as incorporated into the Treaties by Article 6 TEU,
- having regard to Article 9 TFEU, 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’,

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<sup>1</sup> Texts adopted, P7\_TA-PROV(2010)0046.

<sup>2</sup> [http://www.eesc.europa.eu/smo/news/Obstacles\\_December-2008.pdf](http://www.eesc.europa.eu/smo/news/Obstacles_December-2008.pdf).

<sup>3</sup> Texts adopted, P7\_TA-PROV(2010)0047.

- having regard to Article 11 TFEU, 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 TFEU, stipulating that ‘consumer protection requirements shall be taken into account in defining and implementing other Union policies and activities’,
  - having regard to Article 14 TFEU and Protocol 26 thereto on services of general (economic) interest,
  - 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 (A7-0132/2010),
- A. whereas too many obstacles, resulting from a lack of information about rights and opportunities, fragmented regulation, a lack of legislative initiatives in a number of key areas, poor transposition, inadequate application and enforcement of rules, and a lack of administrative coordination and cooperation, stand in the way of citizens, consumers and SMEs wishing to move, shop, sell or trade across borders with the same sense of security and confidence they enjoy in their own Member States,
- B. whereas, at the same time, efforts to harmonise legislation in order to overcome these obstacles have sometimes led to over-regulation, from which the majority of SMEs, in particular the micro-entities that do not wish to operate on the European market but prefer to remain active locally, as well as local government bodies, have experienced adverse effects, so that better regulation is called for with a minimum of administrative burdens,
- C. whereas only a small percentage of workers, service providers and professionals take the step of moving to another Member State, inter alia because the red tape involved and the risk of losing social security rights make it too complicated and costly to do so,
- D. whereas few entrepreneurs and SMEs offer their goods and services outside their domestic markets, owing to language barriers, lack of certainty regarding investments, payments and liability, and to differences in the legal, administrative, social and cultural traditions of the different Member States,
- E. whereas the single market must not be seen in isolation from other horizontal policy areas, particularly health, social and consumer protection, labour law, the environment, sustainable development and external policies,
- F. whereas the EU 2020 Strategy should set realistic targets for achieving a green, knowledge-based, social market economy and sustainable growth by 2020, as well as to create jobs, including in the environmental sector; whereas the cornerstone of the EU 2020 Strategy should be the single European market, with the challenges of social justice and economic growth and a focus on benefits to citizens, consumer protection and SMEs,
- G. whereas, increasingly, single market and international trade issues are interdependent and affect each other,

H whereas many European citizens are not aware of the practical benefits they themselves derive from the single market, as too little information on the single market is available and it is not explained properly,

### ***General considerations***

1. Considers that the Union is facing a particularly problematic time in the history of single European market integration; takes the view that the current and future challenges must be addressed with coherence, determination, commitment and strength, necessarily coupled with sensitivity and practicality, in a spirit of cooperation and solidarity; emphasises that this process will necessitate firm authority and considerable initiative on the part of the European Commission, and political commitment from the Council, the Member States and the European Parliament;
2. Emphasises that the single market is not only an economic structure, and single market legislation protects and preserves specific fundamental rights of citizens, such as security and privacy, and that for this reason a smoothly functioning single market is in the best interests of European citizens, consumers and SMEs, given the many economic and other challenges that the EU currently faces;
3. Stresses that, notwithstanding the economic, technological and legislative weaknesses in its structure, the single European market, along with the eurozone, best illustrates the true meaning of EU economic integration and unity, and is certainly the most visible achievement of European integration for EU citizens;
4. Emphasises that the single market should open new horizons in the research and innovation sector, doing more to promote the development of goods and services, with an emphasis on knowledge and technology, which constitute a driving force for future economic development;
5. Welcomes and fully supports the Commission's intention to 'put back at the heart of the internal market those who live in it and use it daily' as well as its commitment to be a determined defender of the single market through full use of its enforcement powers and to come up with a social and environmental vision of the single market based on the Lisbon Treaty obligations;

### ***The single market integration process is not irreversible***

6. Emphasises that integration into the single market is not an irreversible process and that the continued existence of the single market should not be taken for granted;
7. Expresses its concern that the re-emergence of economic protectionism at national level would most probably result in fragmentation of the single market and therefore needs to be avoided; is concerned that the current economic and financial crisis could be used to justify reviving protectionist measures in various Member States, whereas the downturn calls for common safeguard mechanisms instead;
8. Considers that the crisis has substantially damaged the single market integration process

and that antagonism towards, and distrust of, the single market have increased as a result of shortcomings and inequalities emanating from Member States' economic systems;

9. Recalls that policies to tackle the crisis should not detract from the single market integration process, but rather provide a window of opportunity for reforming, consolidating and improving the current structure of the single market, releasing the job creation potential of a green economy and regaining the trust and confidence of citizens, especially consumers and SMEs;
10. Stresses that the relaunch of the single market must not be wholly dictated by the recent financial downturn and that the revival must go beyond the fundamental lessons learned from the crisis;
11. Underlines that the relaunch of the single market should achieve concrete, measurable, achievable, relevant and timed targets, which must be achieved by proper and effective policy instruments based on the four freedoms of movement that are available to all EU citizens;
12. Highlights the fact that the single European market is in dire need of a new momentum, and that strong leadership from European institutions, especially the Commission, and political ownership by the Member States is required to restore credibility and confidence in the single market;

***Need for a holistic and common approach to the single market***

13. Takes the view that the old perception of the single market should be supplemented in order to make it more inclusive; stresses that all those involved in shaping and implementing the single market need to adopt a more holistic approach, fully integrating citizens' concerns;
14. Emphasises that a stronger, deeper and expanded single market is of vital importance for growth and job creation;
15. Stresses that the single market should be central in achieving the goal of a sustainable and highly competitive social market economy in the context of the EU 2020 Strategy's long-term vision;
16. Believes that the single market is a very important prerequisite for the success of the EU 2020 strategy; proposes therefore that any strategy and policies to revitalise the single European market should be coordinated by the European institutions and based on a pragmatic, comprehensive and wide-ranging deal supported by all the Member States and focusing mainly on priorities for which the Member States will truly take ownership and which they will implement effectively at national, regional and local level;
17. Emphasises that the single market should provide benefits for consumers in terms of better quality, greater variety, reasonable prices, and safety of goods and services;
18. Calls for a new paradigm of political thinking, focusing on citizens, consumers and SMEs in the relaunch of the European single market; holds the view that this can be achieved by putting European citizen at the heart of European Union policy making;

19. Maintains that revitalisation of the single market requires effective implementation of more adequate checks and balances, and more dialogue, in order to guarantee that the needs of citizens and consumers are adequately taken into account; considers that an evidence-based and citizen-based approach will help the Union to win back popular confidence in the single European market and to find the right formula for the adoption of initiatives to give the Union the competitive edge it needs, without prejudice to the social dimension;
20. Reiterates that meaningful assessment of the social, consumer, environmental and economic impacts of the single market – which should feature in all single market proposals – is crucial to gaining public confidence and will also ensure the realistic integration of social, consumer-protection, environmental and economic goals;
21. Believes that the abolition of borders in the single market has further boosted the competitiveness of Europe in a globalised world;
22. Emphasises that the proper functioning of the internal market cannot be dissociated from the role Europe must play as a global economic actor; takes the view that the European Union must protect its social and environmental model by strictly enforcing its rules on imported products and services and firmly upholding the application of those rules, including in the context of multilateral bodies, and of World Trade Organisation dispute settlement procedures in particular;
23. Stresses that the internal market and the common currency have acted as a protective shield in Europe, reducing the negative impact of the financial crisis on businesses and citizens in Europe;

***Challenges and opportunities to be considered by single market policy***

24. Takes the view that the major challenge facing the Union is to find a balance between an open economy, capable of stimulating economic growth and job creation and providing an integrated response to the major challenges of the future (such as competitiveness, research and development, industrial policy, demographic issues, the environment and new technologies), and an economic system which is equally up to the task of delivering consumer protection and the social and environmental safeguards that citizens need;
25. Emphasises that implementation of the single market rules remains uneven, since market networks are not sufficiently interlinked, which means that enterprises and citizens have to face the daily reality of continuing difficulties in their cross-border activities, which may involve 27 different legal systems for a single transaction;
26. Highlights the importance of establishing a green single market for emerging low-carbon and environmental technologies, services and products by developing EU-wide standards for carbon emissions; points out that clear standards and labelling for energy-efficient products must become, progressively, mandatory throughout the Union; notes that existing methodologies and standards should be taken into account when developing new standards for carbon footprints; emphasises that such standards must not create overly burdensome requirements, particularly for SMEs;
27. Urges that, in the digital era, the Union must fully realise the potential and opportunities



offered by the internet and e-commerce and the diffusion of ICT in SMEs and public administration for the further development of the single market, making it available to all EU citizens; emphasises that the development of new technologies must take into account the need to protect citizens, consumers and SMEs and those in the most vulnerable positions;

28. Stresses the importance of establishing new business models where right holders of copyright and related rights are properly remunerated without creating unnecessary limitations on access to creative content online for consumers;
29. Endorses initiatives taken by the Commission to prioritise research, knowledge and innovation in any future strategy; expects that sufficient funds will be allocated in successive Union budgets in order to address these crucial matters; recalls, in this context, the urgent need to resolve the outstanding issue of the Community patent; proposes that the Commission start to examine possible ways of finding concrete benchmarks in order to measure success in the areas of research, knowledge and innovation;
30. Endorses the Commission's efforts to promote the safety of manufactured goods via the entry into force of 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;

### ***Citizens and consumers in the single market***

31. Is convinced that the European citizen's perception, understanding and knowledge of the single market are low, non-existent, confused or even negative, in part because of a lack of political commitment and information and a low level of public awareness; takes the view that decisive action must be taken to ensure that future European Union policy on the single market addresses the needs of citizens, especially consumers and SMEs, and provides them with tangible results;
32. Emphasises that, in order to secure the social and economic backing and cooperation of European citizens, the EU and its Member States must intensively promote the possibilities that result from European economic integration, and change popular perceptions of the single market by making people aware of and able to understand the benefits it offers them and the ways of effectively claiming their rights; believes, therefore, that it is important that sectors which have a direct impact on the daily lives of citizens and consumers' needs should be at the centre of the single market;
33. Considers that some of the most obvious problems encountered by consumers, especially in the services sector, which need to be acted upon as a priority in order to achieve quick results are: (1) access to safe products and quality services; (2) access to reliable, comparable and objective information, including price comparisons; (3) greater legal security and clarity in contractual relations; (4) greater payment security; (5) access to adequate, affordable and effective systems of redress, and (6) improved knowledge of, and greater confidence in, the system;
34. Maintains that citizens are not being given enough information on single market legislation and the availability and enforcement of their rights; highlights the need to organise the relevant websites, SOLVIT and contact points more effectively; believes that

better coordination and communication of such initiatives is needed, since they have so far failed to reach their target audience; underlines the role of the Commission's 'Your Europe' portal in informing both citizens and businesses on aspects of living, working and business opportunities in the European Union; proposes that existing offers be strengthened rather than new points of contact being created;

35. Believes that a responsible approach by the business world, with respect for the principle of corporate responsibility, the rules of competition and consumers' economic interests, will help inspire confidence in consumers, the least that is required if consumer protection is to be enhanced;
36. Maintains that economic integration initiatives will take off better if citizens are convinced that their social rights are being safeguarded and that internal market policies will have a positive impact on social policies;
37. Deplores the fact that only a small percentage of citizens, consumers and SMEs are aware of existing alternative redress mechanisms, or know how to register a complaint with the Commission; points out that existing problem-solving systems for citizens and businesses such as SOLVIT need to be strengthened in accordance with Parliament's report on SOLVIT of 2 March 2010 (2009/2138(INI)); calls on the Commission to initiate an accelerated Treaty infringement procedure if an unresolved SOLVIT complaint reveals a prima facie breach of Community law; finds it regrettable that, despite the Commission's recommendations, alternative conflict resolution mechanisms have not yet been correctly set up or are not yet running satisfactorily;
38. Stresses the major role consumer associations play in circulating information to consumers about their rights, supporting consumers in consumer disputes, and promoting consumer interests in the construction of the internal market;

#### ***Small and medium-sized enterprises in the single market***

39. Affirms that SMEs form an essential part of the backbone of the European economy and are the main drivers of job creation, of economic growth, of the shift towards a green economy and of social cohesion in Europe; contends that the active participation of SMEs in an enlarged EU is imperative in making the single market more innovative and competitive, and emphasises that greater efforts must be made to improve access for SMEs to the single market, to facilitate their development and to enable them to take full advantage of their entrepreneurial potential;
40. Considers that more of the obstacles which prevent SMEs from accessing public procurement markets should be removed in order to boost competitiveness in the single market, specifically by simplifying the requirements for SMEs in calls for tender by contracting authorities;
41. Encourages future joint initiatives by the Commission and the Member States to: (1) support small businesses operating across borders throughout the EU; (2) effect a tangible reduction in administrative, financial and regulatory burdens, particularly the administrative hurdles faced by SMEs, irrespective of whether they operate locally, nationally or at European level, in accordance with the principle of proportionality; in this regard calls on the Member States and the Commission strictly to implement and apply

the Think Small First principle as outlined in the Small Business Act;

42. Asks the Commission to step up its efforts to help SMEs bridge the linguistic gap which often prevents them from doing business in Member States other than their own, by offering all information, and services, on the single market in all the official European Union languages;
43. Remains committed to reducing gold plating in new single market legislation, and asks the Member States, and in particular their parliaments, to remain committed to the fight against golden plating when transposing EU legislation, as these extra burdens are particularly taxing for SMEs;
44. Agrees that proper implementation of the Small Business Act - in particular regarding a strict application of the SME test by the Commission when proposing new legislative internal market measures and the introduction of a European private company statute will guarantee the practical integration of SMEs into a relevant and viable single European system;
45. Supports strongly the regulation governing translation requirements for the future EU patent, which will finally make the EU patent a reality and reinforce Europe as a driving force of innovation and competition in the world; further supports the review of the Community Trade Mark system to achieve higher quality and better prospects for this system;
46. Points out that the greatest problem for SMEs in times of economic crisis is their access to finance; considers it regrettable that as a result of the withdrawal of large banks from rural and under populated or economically weak areas a major problem for SMEs has emerged as regards access to finance; welcomes the important role of savings banks and various cooperative movements in financing the regional economy, as well as their contribution to the social market economy in the form of their promotion of ethical and social projects;
47. Agrees that the notification procedure introduced by Directive 98/34/EC is a very efficient tool for improving national legislation, on the one hand, and for avoiding barriers in the single market, particularly for SMEs, on the other; believes that the Commission should reinforce the mechanism by starting a fast-track infringement procedure if a Member State does not comply with a detailed opinion issued by the Commission or does not react to a detailed opinion issued by a Member State,
48. Believes that different economic and social policies such as budget, tax, education and research policies must be coordinated at EU level;

#### ***Ownership and enforcement of single market legislation and better regulation***

49. Asserts that, under the principle of subsidiarity, a substantial part of the administrative and legal responsibility for the single market lies in the hands of the Member States and, where appropriate, of their regional and local authorities, which, together with other EU institutions, must therefore take real ownership of the single European market and its management;
50. Contends that the Internal Market Scoreboards and the Consumer Market Scoreboards

reveal clearly that Member States are still failing to meet their objectives for transposing, applying and enforcing single market legislation correctly and that there is a delay of transposition of European laws, which undermines the level playing field that is essential for a properly functioning internal market, notably in the services sector;

51. Notes that a gradual fragmentation of rules and inconsistencies in the implementation of legislation in the EU are proving increasingly detrimental to the completion of the single market; notes that the EU has yet to adopt a set of internally coherent policies designed to remove direct and indirect obstacles to the proper functioning of the internal market;
52. Welcomes the Commission initiative for 'better regulation' which reinforces the effectiveness of rules and their proper application by the Member States; urges the Commission to maintain its momentum here, as rapid implementation of this strategy would significantly contribute to the successful re-launch of the single market;
53. Takes note of the new concept of 'smart regulation', as introduced in the Commission's communication on EU2020;

### ***Deliverables***

#### ***Stronger institutional role in establishing and implementing single market rules***

54. Proposes that, with a view to the improved transposition, application and enforcement of single market legislation, the Commission forge a partnership among all the stakeholders involved in shaping, implementing and enforcing such legislation, using new mechanisms such as the proposed annual single market forum;
55. Invites the Commission to ensure proper implementation and transposition through more systematic, independent monitoring in order to speed up and expedite infringement proceedings; contends that delays in the settlement of infringement proceedings will have an adverse effect on citizens' interests in the single market;
56. Asks the Commission to develop new ways, other than formal infringement procedures, to improve the transposition and enforcement of single market rules; in this context, asks it to consider innovative mechanisms, such as the mutual evaluation procedure envisaged in the Services Directive, to encourage peer review and Member State ownership, and to improve informal problem-solving mechanisms such as SOLVIT and EU-PILOT, which would be of significant benefit to citizens who face frustrations in the single market on a daily basis;
57. Calls on the Commission to pay greater attention to the systematic evaluation and simplification of existing single market legislation, cutting red tape wherever feasible, which will benefit citizens and enterprises alike;
58. Urges the Commission to ensure proper coordination and to work in collaboration with Parliament and the Member States, as well as major trading partners and business and consumer associations, in surveillance of the goods market and in cross-border enforcement of consumer protection law, and to inform European consumers and citizens more effectively;

59. Recommends that the Commission conduct an independent exercise to identify the top 20 single-market-related sources of dissatisfaction and frustration which citizens encounter every day, in particular on the labour market, in relation to e-commerce, cross-border medical care, vehicle purchase and hire, portability of pensions, mutual recognition of professional qualifications, child custody, adoption and maintenance and allowances;
60. Calls on the Commission to push for the creation of a better mechanism for reviewing how single market rules apply in practice at all levels in the various Member States, and how citizens and businesses are empowered to exercise their single market rights;
61. Asks the Commission to give more assistance to Member States and, where appropriate, to their regional and local authorities so as to facilitate proper compliance with EU standards; stresses that the EU institutions as a whole must tighten the rules and encourage Member States to improve the transposition of laws in a correct and timely manner, in order to ensure that the same rules apply throughout the Union;
62. Calls for the strengthening of Parliament's role in the areas of application, enforcement and monitoring of single market legislation; considers that the enhanced role for the EP and the national parliaments under the Lisbon Treaty must entail better synergism between the two parliamentary levels;
63. Calls on the Member States to ensure better coordination and exchange of best practices in the single market, particularly through the internal market information system and training of single market and consumer protection specialists at national, regional and local level;
64. Insists that the Commission ensure: independent scrutiny of regulatory proposals for their quality; the adoption of ex-ante and ex-post mechanisms for verifying the effectiveness of legislation; the use of benchmarking against international best practice; the use of conformity assessments to gauge social environmental and economic impact at both EU and national level;

***Measures needed to inform and empower citizens and SMEs more effectively in the single market***

65. Calls on the Commission and the Member States to develop a targeted communication strategy focusing on the day-to-day problems that citizens encounter when settling and taking up employment in another Member State, especially when undertaking cross-border transactions moving, shopping or selling across borders, and the social, health, consumer-protection and environmental-protection standards on which they can rely; considers that this communication strategy should expressly include problem-solving methods such as SOLVIT;
66. Calls on the Commission and the Member States to step up their efforts to ensure that the product standards used within the single market become the main global standard, thus ensuring a level playing field for European companies, and in particular SMEs, wishing to operate beyond the single market;
67. Urges the Commission to focus on prioritising 'consumer-friendly' legislation relating to the single market, which makes a difference to the daily lives of European citizens, when planning its yearly activities; believes that this prioritisation must be followed by adequate

information campaigns so as to bolster citizens' perceptions of the single market;

68. Reiterates that it is important to run alongside the emblematic 'publicity campaign' style activities of the EU institutions or the Member States decentralised public relations measures that better associate local stakeholders and the national, regional and local media (placing special stress on the local media), who are more focused on the daily problems experienced by consumers in the single market (examples of bank charges in another Member State, study on the possibilities of changing operator, comparisons of telephony costs, etc.);
69. Asks the Commission to launch a regular series of studies exploring the relationship between the single market and the average European citizen, focusing in particular on the costs and benefits arising from this relationship, as well as the day-to-day challenges that they face;
70. Calls on the Member States, with the support of the Commission, to improve the capacity of problem-solving mechanisms, in particular SOLVIT, by allocating additional financial and human resources and reviewing their mandate so as to ensure that such mechanisms can effectively address the wide range of problems encountered by citizens and businesses; calls on the Commission to complete the single market assistance services (SMAS) project as a matter of priority, so that citizens and businesses have easy access to the information and guidance they need, while finding solutions to the problems they encounter;
71. Urges the Commission, and the Member States, to keep up and increase, through information campaigns and tougher checks, their efforts to raise citizens' confidence in the CE mark, a fundamental tool for ensuring consumer rights and quality standards in the single market;
72. Highlights the key role played by the Enterprise Europe Network in enabling SMEs to make use of the opportunities offered by the single market; stresses that bureaucratic obligations tie up valuable resources, thus preventing a stronger focus on the Enterprise Europe Network's core task of providing tailor-made support for SMEs; calls on the Commission to make more use of the Enterprise Europe Network for the targeted distribution of information and to reduce bureaucracy for the Enterprise Europe Network's partners;

### ***Strategic reports and proposals***

73. Suggests to the Commission that the single market strategy should comprise four main stages: the first to include an evaluation or health check of the current situation to assess the degree of distortion and strain that the various stakeholders in the single market have suffered, notably as a result of the crisis; the second to see the launch of a consolidation process, tying up loose ends; the third to entail development and improvement of the single market; and the fourth to concentrate on the longer-term vision of the market (EU 2020 Strategy);
74. Believes that both financial services and access to finance must be a part of the EU 2020 strategy.

75. Suggests that in the first stage of the abovementioned health check, the Commission should conduct a financial audit of the EU budget and allocate as a priority more funds to investment in education, innovation and research; calls on the Member States to set the same priorities in their budget spending;
76. Believes that in order to establish an effective single market, the Commission must produce a clear set of political priorities through the adoption of a ‘Single Market Act’, which should cover both legislative and non-legislative initiatives, aimed at creating a highly competitive social market and green economy;
77. Encourages the Commission to present the ‘Act’ by May 2011— well ahead of the 20th anniversary of the 1992 Single Market Programme – putting citizens, consumers and SMEs at the heart of the single market; emphasises that it should be looked upon as a blueprint for future action if we are to achieve a knowledge-based, highly competitive, social and environmentally friendly, green market economy which also ensures a credible level playing field;
78. Calls on the Commission to incorporate in the ‘Single Market Act’ specific measures aimed at, but not limited to:
- putting the consumer interests referred to in Article 12 TFEU and social policy based on Article 9 TFEU at the heart of the single market;
  - making the single market fit for the future by improving consumer and SME access to e-commerce and digital markets;
  - supporting the creation of a sustainable single market based on Article 11 TFEU through the development of an inclusive, low-carbon, green, knowledge-based economy, including measures to further any innovation in cleaner technologies;
  - ensuring the protection of services of general economic interest on the basis of Article 14 TFEU and Protocol 26;
  - creating a strategy for better communication of the social benefits of the single market;
79. Calls on the Commission, in preparing the ‘Single Market Act’, to take into account the various EU institutions’ consultations and reports (EU 2020, Monti, Gonzales and IMCO reports, etc.), and to launch an additional wide-ranging public consultation, with a view to bringing forward a coordinated policy proposal for a more coherent and viable single market;
80. Recommends that an analysis be carried out to identify ways and means of integrating consumer interest into the relevant EU policies, thus enabling consumer protection to feature automatically in the drafting of the relevant EU legislation;
81. Reiterates the importance of the Services directive in completing the single market, and the huge potential it has for delivering benefits to consumers and SMEs; emphasises that the successful implementation of this legislation requires sustained political commitment and support from all actors at European, national and local level; calls on the Commission, after the implementation phase, to undertake an evaluation of the Services Directive to determine whether it has achieved its main goals; calls for a clear involvement of the European Parliament in this work and insists on the need to preserve the balance between the need to improve the single market in services while ensuring a high level of social protection.

82. Considers that proper implementation of single market legislation (e.g. the Professional Qualifications Directive, Service Directive and Market Surveillance Regulation) should remain a top priority for the new Commission;
83. Notes that redress mechanisms applicable across the Union have yielded limited results and therefore urges the Commission to bring forward a legislative proposal to ensure implementation of an affordable, expedient and accessible Europe-wide collective redress system by May 2011;
84. Invites the Commission to consider adopting a 'Citizens' Charter' encompassing the various facets of the right to live and work anywhere in the EU; holds that this right must be readily available to all EU citizens; underlines that certain labour restrictions for workers from the new Member States still exist within the single market; calls on Member States, taking into account all the positive and negative effects of opening up of national markets, to consider removing the existing restrictions;
85. Calls on the Commission to submit to Parliament and the Council during the current parliamentary term a proposal for a regulation on a European Statute for Mutual Societies and Associations;
86. Calls on the Commission to take the requisite steps to propose, as soon as possible, a feasibility study and consultation process designed to lead to the introduction of a European Mutual Society Statute;
87. Calls on the Commission to focus more closely on market monitoring, especially in the areas of financial services, insurance, telephony, banking services and utilities, and believes that the effective monitoring of markets will strengthen fair competition and increase their efficiency, thus benefiting both the economy and consumers;
88. Takes the view that the quality of consumer protection in the financial services sector requires considerable improvement, especially in respect to the monitoring and supervising aspects;
89. Maintains that continued sustainable development of the internal market depends on: (1) the Commission's continued commitment to all market initiatives required to stimulate and improve significantly our standing and competitive edge in the global market; (2) adoption of an overall framework to ensure that the single market really delivers for all stakeholders; and, crucially, (3) the single market also reaching citizens;
90. Instructs its President to forward this resolution to the Council and the Commission.



## **EXPLANATORY STATEMENT**

### **Introduction**

A well-functioning integrated European single market is a fundamental process to further European integration, social cohesion, economic growth and sustainable development within the Union aimed at creating ‘an ever closer union among the European people’ preventing its citizens and Member States from reengaging in conflict.<sup>1</sup>

This report is based on a number of salient points that your rapporteur believes are essential to consider when discussing the past, present and future of the single market. Presently, it is difficult to gauge the exact status of the single market on account of the recent financial crisis. He highlights that the integration process is not an irreversible process and that the continued existence of the internal market should not be taken for granted. Your rapporteur is of the opinion that the fragility being experienced at the moment by the single market may possibly constitute one of the bleakest moments of the single market integration process in the Union's history. The already existing antipathy felt by consumers, citizens and SMEs towards the single market prior to the crisis, has post crisis been transformed into antagonism and gives way to economic protectionism of national markets. The economic down turn has beyond doubt had adverse implications for citizen and consumer confidence in the single market.

One should note that even though the financial crisis instigated backtracking in certain areas of the single market, a lack of enthusiasm on the part of Member States and the Commission in completing the single market has been around for a number of years. Fragmentation of laws, inconsistent modes of implementation of legislation and good regulation have proven to be a long standing problem throughout the Union.

Your rapporteur notes that the ordinary citizen's perception, understanding and knowledge of the single market are low, non-existent, confused or negative. Such a situation is due to the lack of a consolidated user-friendly information mechanism which explains how the single market works and more importantly what benefits it can offer to citizens, consumers and SMEs.

### **Need for a holistic and common approach to the single market**

Your rapporteur dismisses the traditional perception of the single market as being solely tied with the economic aspect. Stresses that stakeholders involved in the revival of the single market must adopt a holistic and a common approach whereby consumer and citizen goals, particularly those related to economic, social, health and environmental concerns are fully integrated in a revived single market.

A balance must be struck between an open economy capable of stimulating economic growth and job creation and an economic system which is able to provide consumer protection and the necessary social and environmental safeguards to the citizens;

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<sup>1</sup> See the declaration of French foreign minister Robert Schuman of 9 May 1950.

The first thing that the Commission must take into account is that consumer protection must, from the outset, feature as part of the fabric of every piece of EU legislation. The formulation of such legislation will require law makers to adopt a new paradigm of thinking - Consumer protection and the social dimension becoming part of the mechanism of checks and balances for the creation of laws and rules dictating the single market.

### **Better regulation, transposition, application and enforcement**

The rapporteur calls upon the Commission to forge a partnership among all actors involved in shaping, implementing and enforcing single market Legislation aimed at better transposition, application and enforcement of single market legislation. He calls for special attention to be given to the proper implementation of the Services Directive, the Mutual Recognition of Professional Qualifications and the market Surveillance Regulation. Furthermore, recognises that of particular importance to SMEs is the implementation of the proposals contained in the Small Business Act ('SBA').<sup>1</sup>

Your rapporteur urges the Commission to continue to push for its *Better Regulation Agenda* with determination and vigour. Moreover, he stresses on the need for ex-ante and ex-post evaluation of single market legislation to be carried out, with special attention given to the social, environmental and economic impact of such laws.

### **Strategic reports and deliverables**

Your rapporteur suggests a single market Strategy to the Commission comprising of four main stages: the first one will include a health check of the current situation; the second stage will launch a consolidation process, tying up all the loose ends; the third stage will be development and improvement of the single market; the fourth stage will be the longer term vision of the market;

Your rapporteur strongly believes that it is neither wise nor practical to solely build all strategies around the 2020 Agenda and thus calls upon the Commission to come up with a Proposal for a legislative package on the single market to be ready by May 2011 and in place by 2012.

Your rapporteur takes a macro approach to his study on the single market - There are a number of important areas of the single market which your rapporteur has not dealt with in detail for the reason that in-depth and carefully thought-out European Parliamentary reports and opinions have been adopted or are being assimilated at Committee stage in IMCO. Your rapporteur expects the Commission to take serious cognisance of such documents and incorporate them in future strategies dictating the transposition and enforcement of Directives and Regulations.

The new agenda for the single market must be formulated in such a way as to enhance social justice, ensure market integrity, foster innovation and welcome the new digital age - all of which will enable the single market to have an edge over other major global economies.

Your rapporteur stresses that the single European market is in dire need of new momentum,

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<sup>1</sup> COM (2008) 394

which under the strong leadership of the Commission will restore credibility and confidence in Europe's internal market.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	28.4.2010
<b>Result of final vote</b>	+: 32 -: 0 0: 3
<b>Members present for the final vote</b>	Cristian Silviu Buşoi, Lara Comi, Anna Maria Corazza Bildt, António Fernando Correia De Campos, Jürgen Creutzmann, Christian Engström, Evelyne Gebhardt, Louis Grech, Małgorzata Handzlik, Malcolm Harbour, Iliana Ivanova, Philippe Juvin, Sandra Kalniete, Alan Kelly, Edvard Kožušník, Kurt Lechner, Mitro Repo, Robert Rochefort, Zuzana Roithová, Heide Rühle, Andreas Schwab, Róza Gräfin Von Thun Und Hohenstein, Kyriacos Triantaphyllides, Bernadette Vergnaud, Barbara Weiler
<b>Substitute(s) present for the final vote</b>	Regina Bastos, Pascal Canfin, Cornelis de Jong, Frank Engel, Anna Hedh, Othmar Karas, Emma McClarkin, Kerstin Westphal, Olle Schmidt, Edward Scicluna