

P7_TA(2014)0130

Single market governance

European Parliament resolution of 25 February 2014 on Single Market governance within the European Semester 2014 (2013/2194(INI))

The European Parliament,

- having regard to the Commission Communication of 13 November 2013 entitled ‘Annual Growth Survey 2014’ (COM(2013)0800) and the Commission Report entitled ‘A Single Market for growth and jobs: An analysis of progress made and remaining obstacles in the Member States – Contribution to the Annual Growth Survey 2014’ (COM(2013)0785) and to the background analysis for that report, entitled ‘International Value Chains Intra- and Extra-EU’,
- having regard to the first Commission report of 28 November 2012 on ‘State of the Single Market Integration 2013 – Contribution to the Annual Growth Survey 2013’ (COM(2012)0752),
- having regard to the Commission Communication of 3 October 2012 entitled ‘Single Market Act II – Together for new growth’ (COM(2012)0573),
- having regard to the Commission Communication of 8 June 2012 entitled ‘Better Governance for the Single Market’ (COM(2012)0259),
- having regard to the Commission staff working document of 24 February 2012 entitled ‘Making the Single Market deliver – Annual governance check-up 2011’ (SWD(2012)0025),
- having regard to the Commission Communication of 13 April 2011 entitled ‘Single Market Act – Twelve levers to boost growth and strengthen confidence – “Working together to create new growth”’ (COM(2011)0206),
- having regard to the Commission Communication of 3 March 2010 entitled ‘Europe 2020 – A strategy for smart, sustainable and inclusive growth’ (COM(2010)2020),
- having regard to the Online Single Market Scoreboard made public on 4 July 2013,
- having regard to the Internal Market Scoreboard No 26 (February 2013),
- having regard to the Conclusions of the European Council of 27-28 June 2013,
- having regard to the Conclusions of the Competitiveness Council of 29-30 May 2013 on smart regulation,
- having regard to the Conclusions of the European Council of 14-15 March 2013,
- having regard to the deliberations of the Competitiveness Council of 18-19 February 2013 on the Annual Growth Survey 2013 and the Single Market Act,

- having regard to its resolution of 7 February 2013 with recommendations to the Commission on the governance of the Single Market¹, and to the Commission’s follow-up adopted on 8 May 2013,
 - having regard to the Conclusions of the European Council of 24-25 October 2013,
 - having regard to its resolution of 14 June 2012 entitled ‘Single Market Act – The Next Steps to Growth’², and the Commission’s follow-up adopted on 26 September 2012,
 - having regard to its resolution of 6 April 2011 on governance and partnership in the single market³,
 - 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 (A7-0066/2014),
- A. whereas the Annual Growth Survey 2013 launched the third European Semester cycle, including – for the first time – an annual report on the state of the Single Market integration;
 - B. whereas an effective and well-functioning Single Market based on a highly competitive social market economy is essential for sustainable and inclusive growth;
 - C. whereas Parliament asked for full inclusion of a Single Market pillar in the cycle of the European Semester;
 - D. whereas a better governance of the Single Market should be aimed at ensuring better and faster transposition and implementation of directives and regulations related to it, especially if connected to the key sectors identified;
 - E. whereas quality of the national reform programmes under the European Semester varies widely in terms of substance, transparency and feasibility;
 - F. whereas the Single Market should be seen as closely connected to other horizontal policy areas, such as consumer and worker protection, social rights, the environment and sustainable development;
 - G. whereas the Single Market Acts I and II represent a well-built horizontal strategy that has determined concrete legislative and non-legislative measures with the capacity to unleash the unexploited growth potential of, and remove obstacles to, the Single Market;
 - H. whereas the Commission has identified services, financial services, transport, energy and the digital market as key areas for improving the functioning and deepening of the Single Market; whereas the methodology for defining these areas should be assessed and revised on a regular basis, taking account of growth targets and outlook as well as the criteria for providing necessary protection for citizens, in particular consumers, professionals and workers;

¹ Texts adopted, P7_TA(2013)0054.

² OJ C 332 E, 15.11.2013, p. 72.

³ OJ C 296 E, 2.10.2012, p. 51.

- I. whereas we have not yet achieved a fully functioning digital single market for online and communications services in Europe; whereas the free movement of digital services and cross-border e-commerce is today hindered by fragmented rules at national level; whereas European companies and public services will gain economic and social benefits from the use of advanced ICT services and applications;
- J. whereas an accessible and efficient European transport infrastructure, an ambitious European industrial policy and the creation of a single energy market – aiming both at supporting EU business competitiveness and ensuring universal and affordable access to energy for households and consumers – are vital for the EU Single Market; whereas it is therefore necessary to define priority actions in these fields;

European Semester

1. Reiterates its call on the Commission to strengthen Single Market governance by establishing, as a specific pillar of the European Semester, an annual Single Market governance cycle that includes the Internal Market Scoreboard, an annual report on the integration of the Single Market as part of the Annual Growth Survey, European Council guidance to Member States, national action plans aimed at implementing the Single Market guidelines, and dedicated country-specific recommendations; calls on the Commission, furthermore, to take full account of the key growth areas – identified as the services sector, the energy sector, the transport sector and the digital single market – and of the measures included in the Single Market Acts I and II;
2. Stresses the need to define the Single Market as the third pillar of the European Semester in order to cover a clear set of priorities related to the real economy; believes that the definition and achievement of these priorities is essential to stimulate growth and bridge the present gap from reaching the objectives of the Europe 2020 strategy, while ensuring economic convergence between Member States inside and outside the euro area and in core and peripheral areas of the EU;
3. Recalls its opinion that the first report on the state of the Single Market integration was insufficient and incomplete; believes, therefore, that future reports should be clearer on current deficiencies in specific Member States, provide more concrete guidance on possible remedies and expected benefits, and indicate efficient levers for boosting growth and competitiveness and, thus, for creating jobs that would together provide a concrete response to the current social and economic crisis;
4. Welcomes the Commission's Single Market integration report 2014 (COM(2013)0785)) and strongly supports the Commission's efforts to integrate the Single Market further in the considerations of the European Semester; appreciates the fact that the report on the state of the Single Market in 2014 contains a number of elements specifically relating to actions taken by individual Member States; considers nevertheless that the report still lacks any qualitative assessment of the effectiveness of measures taken, progress made and policy results actually achieved; calls for the development of an analytical tool to measure Single Market integration within the framework of the Single Market pillar of the European Semester in relation to the country-specific recommendations; believes that this analytical tool could further complement the Internal Market Scoreboard;
5. Believes that more horizontal coordination and coherence in the preparation of legislative proposals with relevance for the Single Market is needed; believes that the governance of

the Single Market should take due account of the needs of all stakeholders and that a stronger and earlier involvement of the social partners, civil society and other stakeholders in designing, adopting, implementing and monitoring the measures is needed in order to boost growth and enforce citizens' rights in the Single Market;

6. Stresses the need for comprehensive consultations and thorough impact assessments before the Commission adopts a proposal; stresses that Commission proposals must be in line with the principles of smart regulation and regulatory fitness, include an assessment of the impact on SMEs, and meet with the approval of the Commission's own Impact Assessment Board; stresses, furthermore, that impact assessments must evaluate the effects of new legislation on prospects for growth and on Europe's competitiveness;
7. Considers that the European Semester exercise should be anchored in a deeper democratic process with greater involvement of national parliaments while enhancing the prerogatives of the European Parliament;
8. Believes that country-specific recommendations issued in this process should take into account the progress made by each Member State and that the national arrangements for implementing Single Market legislation do not necessarily have to follow a one-size-fits-all approach, but should instead seek to enhance the effectiveness of measures taken and actual policy results achieved;
9. Requests that the forthcoming country-specific recommendations in the European Semester cycle 2014 reflect the findings of the Single Market integration report in a much stronger and stringent way than the country-specific recommendations for 2013;
10. Takes the view that the third pillar of the European Semester, dedicated to Single Market integration, should be aimed at identifying priority policies and measures for stimulating and revitalising the real economy; considers that this aim will only be achieved effectively if all EU institutions consistently share and support it; encourages, for this reason, a focused organisation of the work of the Competitiveness Council so that it is explicitly devoted to feeding those priorities of relevance to the real economy into the European Semester;

Key sectors

11. Considers that the key sectors identified by the Commission – services, financial services, transport, energy and the digital market – remain decisive for the full integration of the Single Market; considers, furthermore, that in order to achieve renewed growth, the relaunch of a consistent and integrated industrial policy focusing on these sectors should also include efforts to strengthen the protection of citizens' rights – including those of consumers and workers – and a competitiveness model based on knowledge and innovation through EU incentives to drive investment and access to finance, R&D, and support for higher education;
12. Urges the Commission to develop a genuine European industrial policy; believes that re-industrialisation should be a cross-sectorial priority for the Union; considers that this new industrial policy should include the enforcement of Single Market rules, a holistic strategy for the external dimension of the Single Market with a particular emphasis on coherent consumer protection policies and improved access to capital and infrastructures in order to increase companies' competitiveness and enable them to access worldwide markets;

13. Stresses that, by removing barriers to the free movement of persons, goods, services and capital, the Single Market makes it possible for businesses to operate on a larger scale, thereby enhancing their ability to innovate, invest, increase productivity and create jobs;
14. Calls on the Commission to present a detailed action plan of measures designed to achieve a fully integrated and interconnected Single Market in energy; highlights the need to provide consumers with transparent and comparable energy prices while at the same time ensuring that consumers are protected, including vulnerable consumers; stresses the need for considerable investment in energy infrastructure and takes the view that all utilities sectors must keep pace with progress in the energy sector;
15. Emphasises that it is essential to improve infrastructure – in particular cross-border connections and interoperability – to ensure that the Single Market can function effectively; believes that a single, interconnected and efficient European transport system is crucial for the free movement of goods, people and services within the Single Market; believes that further investment is essential in order to attain these objectives and reiterates that a wide range of financial instruments should be put in place for such projects;
16. Stresses that the consistent implementation of current legislation and of further Commission proposals on digital services can help Europe make full use of the internal market; calls for a policy for a digital single market that makes online services in Europe more competitive, more effective across borders and more transparent, providing a high level of accessibility and consumer protection; stresses the importance of targeted investments and notes that work on the Connected Continent proposal will help to reduce price differences between Member States by encouraging competition in the telecoms sector;
17. Calls for an ambitious implementation of the Consumer Agenda, including legislative and programming measures, in order to strengthen consumer protection and confidence in the Single Market, empower consumers, encourage the average consumer to behave responsibly and increase protection of vulnerable consumers;
18. Takes the view that easier access to funding for SMEs would help loosen liquidity constraints and increase SME working capital; welcomes the fact that, among the priorities set by the Commission in the Annual Growth Survey 2014 and the Single Market integration report, the development of forms of alternative financing for SMEs ranks highly; strongly supports the objective of developing specific bonds and a dedicated stock exchange market for SMEs and calls on the Commission and Member States to take practical action in pursuit of this goal; furthermore, supports initiatives taken at EU level to complement national efforts in increasing micro-credit and boosting social entrepreneurship, including the support of development banks providing loans at lower rates than commercial banks; notes the particular importance of supporting SMEs through the COSME and Horizon 2020 programmes;
19. Emphasises the relevance of obstacles to the functioning of the Single Market caused by the fragmentation of retail financial market services, as highlighted by the Commission in the Single Market integration report, in particular in relation to highly diverging interest rates for bank loans which have a strong impact on consumers, households and SMEs; is convinced that these differences hamper effective access to finance and have an adverse impact on the real economy; is concerned about the negative impression that consumers have of the fragmentation and underperformance of retail financial services, notably with regard to bank accounts, mortgages, private pensions and securities;

20. Believes that the regulation of financial services should provide for better information, enhanced protection and effective redress for consumers; stresses the need for a quick and positive conclusion of the work on legislative proposals on the consumer and retail financial services market, in particular the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features; takes the view that further proposals, such as a specific consumer insolvency regime to improve on the current fragmented and inadequate arrangements, should be brought forward in order to encourage the safe investment of private savings in the real economy;
21. Regrets that, despite the strong evidence for the importance of the Single Market in overcoming the crisis, the free movement of citizens, in particular workers and professionals, across Europe is not complete and that stronger measures are needed in order to remove the remaining obstacles and to stimulate growth while guaranteeing citizens' and workers' rights; stresses the need for a balanced development of the internal market, based on the full implementation of economic freedoms in line with the social market economy;
22. Recalls that the cyclical method of submitting Single Market Acts provided opportunities to identify and discuss on a regular basis the priorities for the development of the Single Market; considers that this method should be enhanced and developed further;
23. Welcomes the package of legislative proposals for a consumer product safety regulation and a market surveillance regulation, and on disclosures of non-financial and diversity information by certain large companies and groups; believes that these initiatives can improve consumers' rights, better guarantee consumer health and safety, facilitate trade in goods and services, and encourage a new model of competitiveness; asks, therefore, the Commission to work closely with Parliament and the Council to reach a conclusion within a reasonable timeframe;
24. Underlines the importance of the political agreements reached on the reforms of the Mutual Recognition of Professional Qualifications Directive, the Public Procurement and Concessions package and the Alternative Dispute Resolution Directive and Online Dispute Resolution Regulation; urges, therefore, the Commission and the Member States to begin a speedy and comprehensive implementation of all new provisions;
25. Stresses the need for proper transposition of legislation on public procurement and concessions; highlights the importance of public procurement as a key driver of growth, particularly for SMEs; takes the view that the implementation of this reform provides a major opportunity to modernise public administration by making strategic use of public procurement in terms of innovation and sustainability and enhancing the quality and efficiency of public spending in response to specific local and national government requirements; considers these to be the key factors in successfully implementing the rules concerning public procurement and concessions;
26. Believes that, especially in order to combat youth unemployment, the new rules regarding professional qualifications (adopted in November 2013 and amending Directive 2005/36/EC and the IMI Regulation) are an important step towards enhancing the free movement of workers and professionals, foreseeing a high common standard of training and fostering the use of the European professional card; stresses that full and correct implementation of the Directive on the Recognition of Professional Qualifications (and of the Services Directive) is a key driver of EU economic growth; believes at the same time that a reform of the regulated professions is necessary to give young people better

access to those professions and create a more dynamic market that gives adequate guarantees to consumers;

Governance instruments

27. Takes note of the Commission's response to Parliament's resolution of 7 February 2013 with regard to the legal basis for the requested legislative proposal that would contain the elements listed in that resolution; believes that the content of specific recommendations made therein still holds valuable ideas for the improved governance of the Single Market;
28. Takes note of the adjusted structure of the second edition of the Single Market integration report (COM(2013)0785)); welcomes the fact that the Commission has thereby also responded to requests made by Parliament in its resolution of 7 February 2013; notes that a number of the measures outlined in that resolution have already led to improved implementation and enforcement of EU law, including more stringent use of the EU Pilot;
29. Welcomes the Online Single Market Scoreboard, and especially its visual and informative way of presenting the performance of Member States with regard to EU legislation relevant for the functioning of the internal market; believes that the Online Scoreboard should be available in all Union languages if it is to facilitate all European citizens' understanding of the Single Market cycle and their potentially active role in it;
30. Believes that efforts should be made to make the implementation and uniform application of Union law in the Member States more transparent; notes that transposition deadlines are exceeded by an average of nine months, and that there is a rising number of directives for which transposition is overdue by two years or more; considers that every directive should be transposed in a consistent manner and that all transposition measures should be adopted in order to reflect the compromises reached at Union level;
31. Believes, however, that purely quantitative statistics on the implementation of Single Market legislation are not sufficient and that it is necessary to focus on the quality of how the legislation is implemented within the Member States based on specific key indicators for sectors of the Single Market developed at European level;
32. Welcomes the report entitled 'International Value Chains Intra- and Extra-EU' as a positive example of the use of specific indicators to assess Single Market integration with specific attention being paid to the spread of production systems across the EU; considers that supporting further initiatives for cross-border supply chains to be developed will drive the removal of long-standing barriers to completing the Single Market and can help to improve the productivity and competitiveness of European firms in the world economy;
33. Applauds the improved level of average transposition deficit, now down to 0,6 %; stresses that even a very small deficit in an important policy area can have a hugely detrimental effect on consumers' and businesses' opportunities, and thus on the European economy as a whole;
34. Deplores the average duration of infringement proceedings, in particular the fact that cases dealing with services take longest (49,8 months on average); considers that infringement proceedings have revealed a number of limitations in terms of addressing and correcting implementation and application deficiencies of Single Market provisions in a swift manner; calls on Member States to work more effectively with the Commission in resolving cases

more swiftly and calls on the Commission to carry out further “sweeps” of national measures which are detrimental to the Single Market;

35. Takes the view that infringement proceedings should be considered to be a last resort, to be pursued only after attempts have been made to coordinate and correct the situation, and that the Commission should therefore promote the use of the EU Pilot and other proceedings before taking a Member State to the Court of Justice; insists, furthermore, that every effort should be made towards ensuring more effective use of infringement proceedings for breaches of Union law provisions in the field of the Single Market, and that the Member States and the European Council should continue the further development of infringement proceedings in the framework of future revisions of the Treaty on the Functioning of the European Union;
36. Supports the Commission’s actions to improve the cooperation of national authorities with regard to the functioning of the Single Market; agrees that a permanent IT mechanism facilitating the exchange of relevant information could significantly improve the situation, as a group of national experts meeting a few times per year is hardly the proper way to deal with such a priority matter;
37. Reiterates the importance of the proper functioning of the Internal Market Information (IMI) system, recently given a proper regulatory basis and currently being expanded to encompass new policy areas and sectors; invites the Commission to inform Parliament about the operation of the machine translation tool introduced to facilitate communication between national, regional and local authorities;
38. Calls on the Member States to implement in full the measures provided for under the digital agenda and step up efforts to modernise public administration – not least through the swift implementation of measures related to e-government, e-health, e-invoicing and e-procurement – with a view to providing more and better digital services for citizens and businesses across Europe, reducing costs and enhancing the efficiency of the public sector;
39. Notes that the problem-solving network SOLVIT remains underused; calls on the Member States to ensure that adequate resources are provided for the SOLVIT network and the Points of Single Contact, as required by the Services Directive; calls on the Commission and the Member States alike to take further steps to disseminate information about the availability of these instruments among businesses and entrepreneurs; considers, in addition, that Member States should initiate a more intensive and broader exchange of best practices;
40. Takes note of the continuous increase of the use of the Your Europe and Your Europe Advice portals, which should be able to provide the necessary information to anyone moving around the European Union;
41. Welcomes the Single Market Month which, between 23 September and 23 October 2013, brought together citizens from across Europe, policy-makers, experts and EU leaders in an online debate and in related national events to discuss the progress made so far, the challenges remaining and ideas for the future of the Single Market, and calls on the Commission to take good stock of the concerns and suggestions put forward by the participants; calls on the Commission to evaluate the format and the effectiveness of the 2013 exercise, including its ability to reach out to citizens, businesses and consumers, and provide them with a real opportunity to help shape the Single Market;

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42. Instructs its President to forward this resolution to the Commission and the Council, and to the European Council and the parliaments and governments of the Member States.