REPORT

on the Single Market governance within the European Semester 2016
(2015/2256(INI))

Committee on the Internal Market and Consumer Protection

Rapporteur: Catherine Stihler
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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the Single Market governance within the European Semester 2016
(2015/2256(INI))

The European Parliament,

– having regard to its resolution of 11 March 2015 on the European Semester for economic policy coordination: Annual Growth Survey 2015¹,

– having regard to its resolution of 11 March 2015 on Single Market governance within the European Semester 2015²,

– having regard to its resolution of 25 February 2014 on Single Market governance within the European Semester 2014³, and to the Commission’s follow-up thereon adopted on 28 May 2014,

– having regard to its resolution of 22 October 2014 on the European Semester for economic policy coordination: implementation of 2014 priorities⁴,

– having regard to its resolution of 7 February 2013 with recommendations to the Commission on the governance of the Single Market⁵, and to the Commission’s follow-up thereon adopted on 8 May 2013,

– having regard to the Commission communication of 26 November 2014 on an Investment Plan for Europe (COM(2014)0903),

– having regard to the report of the Five Presidents of 22 June 2015 on Completing Europe’s Economic and Monetary Union,

– having regard to the Commission communication of 21 October 2015 on steps towards Completing Economic and Monetary Union (COM(2015)0600),

– having regard to the Commission recommendation of 21 October 2015 for a Council recommendation on the establishment of National Competitiveness Boards within the Euro Area (COM(2015)0601),


– having regard to the Commission staff working document on Member States Investment Challenges (SWD(2015)0400),

– having regard to the Bruegel policy paper on the Limitations of Policy Coordination in

⁵ Texts adopted, P7_TA(2013)0054.
the Euro Area under the European Semester, November 2015,
– having regard to the Quarterly Report on the Euro Area (QREA), Vol. 14, No 2,
– having regard to the EPRS study on the Cost of non-Europe in the Single Market, September 2014,
– having regard to the Commission communication of 28 October 2015 on Upgrading the Single Market: more opportunities for people and business (COM(2015)0550) and the report on Single Market Integration and Competitiveness in the EU and its Member States (SWD(2015)0203),
– having regard to the 2015 edition of the online Internal Market Scoreboard,
– having regard to the Commission communication of 8 June 2012 on the implementation of the Services Directive (COM(2012)0261), as updated in October 2015,
– having regard to the European Council conclusions of 27-28 June 2013,
– having regard to the European Council conclusions of 24-25 October 2013,
– having regard to the European Council conclusions of 19-20 December 2013,
– having regard to Rule 52 of its Rules of Procedure,
– having regard to the report of the Committee on the Internal Market and Consumer Protection (A8-0017/2016),

A. whereas the EU faces diverse challenges at both global and domestic level, such as sluggish growth, high levels of unemployment and, in particular, intense international competition;

B. whereas the European Semester aims to increase coordination of economic and fiscal policies across the EU 28 in order to enhance stability, promote growth and employment and strengthen competitiveness;

C. whereas it is imperative to mobilise all potential avenues to boost the EU economy and competitiveness;

D. whereas the Single Market is one of the cornerstones of the EU and one of its major achievements; whereas for the European Semester to successfully foster economic growth and stabilise economies it must equally encompass the Single Market and policies aimed at its completion;

E. whereas an inclusive Single Market, with enhanced governance which favours better regulation and competition, is a crucial instrument to improve growth, employment and competitiveness and to preserve the confidence of the business sector and consumers;
F. whereas ongoing technological, societal and behavioural changes significantly impact business and consumer behaviour, creating many economic opportunities and challenges which the Single Market framework must address;

G. whereas, above all, it is compliance with existing rules within the European Semester and the Single Market that will provide real insight into the suitability or shortcomings of current rules;

The Single Market as an important tool in boosting EU competitiveness and delivering jobs and growth

1. Reiterates that the Single Market is one of the foundations of the EU; stresses that for the European Semester to successfully foster economic growth and stabilise Member States’ economies it must equally encompass the Single Market and policies aimed at its completion;

2. Underlines that the Single Market (SM) is the backbone of Member States’ economies and the European integration project as a whole; highlights the economic benefits of the SM, such as product standardisation and market integration, economies of scale and stronger competition, and a level playing field for 500 million consumers across the 28 Member States, providing, in particular, a greater choice of high-quality products and services and lower prices for consumers;

3. Emphasises the importance of advancing the SM to achieve structural and sustainable economic growth in order to attract and foster investment, in the context of transparency and efficiency rules, which will help to create jobs and promote well-being among the citizens of the Member States; urges the Commission to carry out systematic monitoring of implementation and enforcement of the Single Market rules through the country-specific recommendations (CSRs), in particular where those rules make a significant contribution to structural reforms;

4. Believes that it is necessary to facilitate an adequate environment for economic initiative and business development, encouraging competitiveness and cooperation among SMEs, thus tapping into the industrial potential of innovation, research and technology;

5. Notes the recent work of Commission services on identifying and mapping challenges to investment and elaborating country-specific investment profiles;

6. Is concerned that the level of implementation of European Semester recommendations for 2011-2014 was lower than expected; calls, therefore, on the Commission to propose a mechanism to encourage countries to implement CSRs;

7. Welcomes the fact that the new European Semester process was streamlined by the Commission and understands that the number of CSRs declined in order to propose recommendations more focused on countries’ priorities; notes that the Annual Growth Survey pays more attention to the Single Market issues than the CSRs;
8. Reiterates a call for inclusion of the Single Market pillar in the European Semester, with a system for regular monitoring, identification of the country-specific barriers to the Single Market and evaluation of SM integration and competitiveness, focused on a set of priorities where action would generate the most impact in growth and jobs, including sustainable development of businesses – which would encompass also SMEs; considers that the system should comprise a robust information database, a set of quantitative and qualitative indicators aimed at measuring, inter alia, the economic effects of application of the Single Market rules, benchmarking, peer review and exchange of best practices;

9. Welcomes the 2015 Report on Single Market Integration and Competitiveness in the EU and its Member States; notes that this report, which replaces both the Single Market Integration Report previously annexed to the Annual Growth Survey and the Report on European Industrial Performance, has been published as a document accompanying the Single Market Strategy communication instead of being annexed to the Annual Growth Survey as was previously the case; requests that the report be further developed and that it become part of the SM Governance pillar and the basis for annual assessment of progress of the Single Market; considers that the report should feed into the specific SM section in the Annual Growth Survey, in CSRs and in regular structured Single Market compliance dialogue with the Member States;

10. Welcomes the Commission’s intention to further analyse the identified country-specific challenges to investment in the framework of the European Semester, particularly in Country Reports and through thematic discussions in the Council;

11. Draws attention to the fact that many of the identified challenges to investment relate to the functioning of the Single Market and transposition and implementation of Single Market law; asks the Commission to rigorously monitor Member States’ follow-up on the identified challenges and barriers to investment, engage in regular structured compliance dialogue with Member States and use its powers and take action where appropriate in order to remove unjustified and disproportionate barriers to the Single Market;

12. Stresses that any review process of the European Semester must allow for proper involvement of the European Parliament, national and regional parliaments and all relevant stakeholders, including employer organisations and trade unions, not only to increase the ownership of the European Semester but also to increase the level of implementation of the CSRs;

13. Underlines the importance of an all inclusive, transparent process leading to relevant and necessary reforms through the European Semester;

**Untapped potential of the Single Market**

14. Recalls the need to carry out appropriate and fair economic and social reforms and to tackle red tape and protectionism, in order to improve productivity and the competitiveness of the European economy;

15. Stresses that despite the lack of straightforward tariff barriers in the Single Market, a vast number of various non-tariff barriers do exist; encourages the EU institutions, the Member States and all relevant stakeholders to launch a constructive debate on this
issue in order to overcome the non-tariff obstacles within the EU;

16. Regrets that in several Member States there are significant deficiencies as regards the implementation of the Services Directive, covering activities representing more than 45% of the EU’s GDP and employment, inter alia because of a substantial number of national rules and regulations, which are not always in the public interest; regrets also that the notification procedure is not always complied with;

17. Welcomes the modernisation of the Professional Qualifications Directive, proposing a smoother system of recognition of qualifications supporting labour mobility; notes that the regulation of regulated professions varies between Member States, as do reserves of activities;

18. Welcomes the Commission’s intention to consider an initiative for a services passport and a harmonised notification form, with the proviso that this initiative leads to greater transparency as regards the extent of the powers of cross-border service providers and a reduction in red tape and administrative burden; emphasises that any such initiative should not lead to the introduction of the country of origin principle; however, it would be appropriate to provide more detail on the outlines of this proposal; considers the services passport as a temporary solution intended for use during the transition to a fully integrated Single Market;

19. Stresses that the public procurement market accounts for a substantial portion of the Single Market as a whole and contributes significantly to Member States’ and business growth, job creation and competitiveness; asks the Commission to support transparency of public procurement in the public sector, cross-border competition and better use of public resources, including social and environmental standards;

20. Recalls that in 2014, the EU adopted a major overhaul of the EU procurement framework, simplifying procedures, making the rules more flexible and adapting them to better serve other public sector policies;

21. Points out that there are still significant inefficiencies in public procurement across Member States that limit cross-border expansion and growth in domestic markets; stresses the need for proper and timely transposition and implementation of public procurement and concessions legislation by Member States; believes correct implementation of the 2007 remedies procedure would ensure that public procurement is more efficient, effective and transparent;

22. Welcomes the second Interoperability Solutions for European Public Administrations programme (ISA²), which started on 1 January 2016 and will support the development of interoperable digital solutions, available free of charge to all interested public administrations, businesses and citizens in Europe;

23. Emphasises that the development and widespread use of e-administration in the Member States will serve as a vital tool making it easier for entrepreneurs to do business in the Single Market and for consumers to exercise their rights; in connection with the above, calls on the Commission to commit to the development of e-administration as a key and urgent priority;
24. Highlights that the private sector is a crucial driver for sustainable growth and job creation; points out that individual national regulations and practices, coupled with an inadequate implementation of the mutual recognition principle, can result in unnecessary and harmful barriers and burdens for entrepreneurs and consumers; calls on the Commission and the Member States to ensure proper application and better enforcement of the mutual recognition principle and for cost-efficient instruments for dispute settlement;

25. Invites the Commission to consult stakeholders in order to identify sectors and markets where the application of the mutual recognition principle is insufficient or problematic;

26. Advises that a strengthened role for the existing Product Contact Points as single access points for SM issues for economic operators will help raise awareness and understanding of the applicable legislation;

27. Highlights that better conditions for the emergence of start-ups and SMEs can result in more active innovation and job creation and generate sustainable growth; recalls that many barriers, some of which are bureaucratic, hinder the development of SMEs domestically and internationally; calls for the identification and elimination of the barriers that prevent domestic and international growth;

28. Highlights that the intensity of tangible and intangible capital accumulation in the EU has been lower post-financial crisis when compared to competitors, which is detrimental to economic and social development; stresses that investment, including in the area of ICT, is of the utmost importance in order to restore productivity and long-term growth in the EU; is of the view that in order to reverse this negative trend, the Single Market must be enhanced and barriers to investment reduced; demands that investment be focused on financing the real economy and that sustained measures continue to be taken to achieve that goal;

29. Calls for an immediate abolition of unjustified territorial restrictions known as geo-blocking, in particular by means of fully implementing Article 20 of the Services Directive, thus ending unjustified discrimination in access to goods and services as well as price discrimination based on geographical location or nationality;

30. Calls for upgrading of the European Standardisation System to commence as soon as possible in order to support EU policies in digital innovation, increased cyber security and improved interoperability;

31. Urges Member States to implement properly and in a timely fashion, and to enforce, the rules of the Single Market; highlights the importance of implementation of CSRs – including reforms of national products and services markets – in unlocking Member States’ growth potential;

32. Believes that Member States must step up their efforts to modernise their public administrations by providing more, and better accessible, digital services for citizens and businesses, and to facilitate cross-border cooperation and interoperability of public administrations;

The Single Market in the 21st century
33. Emphasises that the notion of the modern economy is rapidly changing owing to digital and technological advances, more intense international competition and changes in the behavioural patterns of economic agents and consumers;

34. Points to the blurring of lines between products and services; highlights the growing importance of business-related services and systems with integrated products and services; believes that SM regulatory frameworks need to embrace these transformative developments;

35. Welcomes new sharing economy business models and recognises their enormous potential for innovation, which should be realised in compliance with existing legal and consumer protection standards and with equal conditions for competition; highlights the importance of ensuring the best possible conditions for the collaborative economy to develop and thrive; calls on the Commission to take a strategic approach to enable sharing economy businesses to compete with traditional businesses in a fair environment;

36. Points out that investment patterns by businesses have seen a remarkable change, with expenditure in intangible assets growing in size and importance in comparison to investment in tangibles; stresses that in relation to intangible assets, only 17% of firm investment goes towards scientific R&D; calls on policymakers to work on removing regulatory barriers that impede the realisation of the full potential of this new innovation lever;

37. Welcomes the Single Market Strategy, outlining how various Commission actions (Capital Markets Union, Digital Single Market, Energy Union, etc.) are focused on a main goal – tapping the potential of the EU’s Single Market; underlines that the Single Market Strategy communication finds that the Single Market should be addressed more in the European Semester process;

38. Welcomes the Digital Single Market Strategy as the right approach to make the EU fit for the digital age; calls for a speedy delivery and implementation of this strategy to ensure the EU regains lost ground in relation to the previously slow adoption and use of digital technologies; considers that this requires an allocation of national and EU funds in order to provide the required infrastructure, in particular for rural areas; notes that it is also important to support digital innovation and improved interoperability, and that particularly close attention should be paid to cyber security issues;

39. Stresses that accessible, affordable, efficient and high-quality parcel delivery is an essential prerequisite for a thriving cross-border e-commerce for the benefit of SMEs and consumers in particular;

40. Recalls that the integration of the Single Market in goods and services is almost always powered by data, with interoperability being the ‘glue’ improving connection along the supply chain and ensuring effective communication between digital components; calls on the Commission to commence the updating of the European Interoperability Framework as soon as possible, coupled with an integrated standardisation plan identifying and defining key priorities;

41. Emphasises that private and public investments in fast and ultra-fast communication
networks are a requirement for any digital progress, and must be incentivised by a stable EU regulatory framework enabling all players to make investments, including in rural and remote areas;

42. Highlights the importance of successful implementation of the European Fund for Strategic Investments in order to maximise investments and support innovative companies at different funding stages of their development; stresses, where there is market failure, the importance of fully exploiting the public funds already available for digital investments, and of enabling synergies between EU programmes such as Horizon 2020, the Connecting Europe Facility, other relevant structural funds and other instruments;

43. Calls on the Commission to evaluate whether the current broadband strategy for mobile and fixed networks, including targets, is future-proofed and meets the conditions for high connectivity for all, in order to avoid the digital divide and for the needs of the data-driven economy and the rapid deployment of 5G;

44. Highlights that the EU should build its competitive advantage by creating the perfect breeding ground for innovative companies – this would require a modern industrial policy and better-integrated infrastructure which puts technology adoption and an innovation- and entrepreneur-friendly regulatory environment at the forefront; calls for any future digital framework proposed to be inclusive and accessible, guaranteeing consumers a high level of protection;

**Governance of the Single Market**

45. Underlines that, in order to achieve stronger SM governance and ownership at all levels, a clarification of division of tasks between those levels and frameworks providing better incentives and clear accountability for the implementation and enforcement of SM laws are needed to give new impetus to the SM;

46. Notes that the multilevel ownership of effective SM governance could be successfully achieved by means of deregulation on the one hand and a broader culture of regulatory enforcement on the other; calls for the development of human capital, inter alia on the basis of more accessible information and appropriate training to raise levels of knowledge and awareness;

47. Calls on the Commission to ensure that Single Market rules are consistently enforced by the Member States by using all available information, data and instruments at its disposal and imposing the consequences provided for by the Treaties in cases where Member States fail to comply with EU policies and laws;

48. Points to the importance of monitoring and data collection and the need for a robust and integrated system; is concerned that information on public consultations is only available in one language in most cases, which does not allow all interested parties to comment on the important issues and proposals; considers that data and evidence should be taken into account when making strategic decisions vital for achieving the Single Market, reducing gaps between Member States and enhancing SM governance, such as when setting priorities for action and enforcement, when evaluating SM integration and competitiveness, and also within structured Single Market compliance dialogue with
Member States;

49. Calls on the Commission to issue an annual report on the Single Market barriers in various Member States and the EU as a whole and to issue recommendations focused on removing these barriers in the CSRs; stresses that the Single Market should play a more important role in the CSRs;

50. Calls on the Commission to use all available measures, including infringement procedures, when necessary, to ensure full implementation of SM legislation; is concerned that the infringement procedure redress takes a long time when a violation of SM rules is being addressed and remedied, and is concerned about the high number of outstanding cases;

51. Notes the benefits of SOLVIT; requests that SOLVIT be strengthened and better connected to Commission services, and well integrated with existing projects and databases such as CHAP and EU Pilot in order to create information synergies and share best practices; requests that the Commission follow up consistently on unresolved cases; urges the Commission and the Member States to ensure that the necessary support and expertise are provided for SOLVIT so that the cases received can be efficiently dealt with;

52. Is of the view that market surveillance authorities within the Single Market need to be strengthened, better connected and appropriately staffed in order to meet today’s challenges, in particular those regarding global competition; urges national market surveillance authorities to cooperate more closely and to exchange information and best practices to effectively tackle various forms of unfair competition in the Single Market, inter alia the high number of illegal and non-compliant products incurring high costs for complying businesses and posing a high risk for consumers, particularly the most vulnerable; is concerned by the length of time being taken by the Council of the European Union to adopt the Product Safety and Market Surveillance Package, which is jeopardising the safety of products in the EU; calls on the Council to adopt it immediately;

53. Welcomes the Commission initiative to create a Single Digital Gateway as an accessible umbrella portal that will streamline and simplify access to information and promote existing dedicated users’ platforms; stresses the role of national and regional governments in promoting such platforms, making them accessible and educating their users; calls on the Commission to further strengthen and streamline online Single Market tools;

54. Recognises the importance of better regulation principles and the REFIT initiative, and the need for regulatory security and predictability, when designing new legislative initiatives; underlines that the better lawmaking principle should not prejudice the right of the EU and the Member States to legislate in areas crucial to the public interest, such as health and the environment;

55. Instructs its President to forward this resolution to the Council and the Commission.
EXPLANATORY STATEMENT

‘The European model is, first, a social and economic system founded on the role of the market, for no computer in the world can process information better than the market’

Jacques Delors

The Single Market is a precious resource which the European Union’s current and future economic prosperity depends upon. The untapped potential of the Single Market estimated to be €1 trillion in value is both an opportunity and a wake-up call to ensuring the SM works to benefit of us all. Currently there are too many barriers to trade across the EU, many member states fail to implement decisions which they sign up to. The EU is only as strong as its constituent parts of the 28 Member States.

Your Rapporteur is of the opinion that a coordination of both macro and micro economic policies coupled with the coordination of fiscal policies is needed to bring about the desired structural economic growth in EU Member States.

The potential of single market measures to boost jobs and growth has been widely recognised at an EU level. However, despite repeated calls to strengthen the single market in the European Council Conclusions, Annual Growth Surveys and Country Specific Recommendations little progress has been achieved so far.

In order to effectively deliver on jobs, growth and competitiveness, the progress on integration of the Single Market in Member States must be accompanied with better governance and greater transparency of the process. Your Rapporteur believes that this can be achieved by including the Single Market under the European Semester.

Therefore, building on previous reports from the Committee on Internal Market and Consumer Protection (Schwab, Cofferatti and Gall-Pelzc) and EP resolutions, your rapporteur strongly supports including a Single Market pillar in the European Semester.

In Part 1 of this report your Rapporteur proposes that the Single Market pillar comprises the following elements:

(i) a system for regular monitoring and evaluation of SM integration and competitiveness, such a system, to be credible, needs to be focused on a set of priorities where action would generate most growth and jobs and must comprise a robust information database of quantitative and qualitative information to assess progress in MS. Benchmarking, peer review process and exchange of best practices should be part of monitoring and

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6 Council Conclusions from 2013 December, (para 25) state that “The Annual Growth Survey to identifies areas where important challenges prevail and where further progress is needed. Specific attention should be given to enhancing the functioning and flexibility of the single market for products and services, improving the business environment, and ... Priority should be given to enhancing competitiveness, supporting job creation and fighting unemployment...”


9 For 2012-2013 only around 10% of all CSR have been fully or largely implemented; Source: Deroose and Griesse, 2014, Are EU Member States Responding to European Semester recommendations?
(ii) The progress on SM integration and competitiveness should be assessed every year in form of a report; the Report on Integration of the Single Market and Competitiveness could serve as basis for annual evaluation of microeconomic policies.

(iii) In order to strengthen governance, transparency and ownership of the process, your Rapporteur is of the view that such annual reports should be systematically taken into account in Member States’ economic and fiscal evaluation and feed into specific sections in the Annual Growth Survey covering Single Market, in Country Specific Recommendations and

(iv) in regular structured compliance dialogue with Member States.

(v) Moreover, your Rapporteur stresses that involvement of the EP, inclusive and non-discriminatory approach to all EU MSs – euro and non-Eurozone, MS national parliaments and all stakeholders is crucial for transparency, governance and ownership, and ultimately for the success of the process.

Despite some progress made in varying fields by Member States to simplify national legislation to make it more consumer and business friendly, a number of key outstanding issues remain which serve as barriers to further deepening and integration of the Single Market. Your Rapporteur identifies these key obstacles in Part 2 and urges the Commission and Member States to act upon them as swiftly as possible.

The Cost of Non-Europe in the Single Market report published last year explores in great detail the economic cost of Single Market fragmentation. The report estimates that completing the Single Market in these fields would entail economic gains ranging from 651 billion to 1.1 trillion euro per year, equivalent to a range of 5% to 8.63% of EU GDP. Your Rapporteur considers it a great pity that we continue to miss out on these advances for over the past 20 years, especially in light of the ever-growing international competition.

This report welcomes the Commission’s Internal Market Strategy for goods and services published in October 2015 alongside the Single Market Integration and Competitiveness Report, believes the Commission is taking the right approach but highlights that first and foremost it is the enforcement and implementation of already existing EU legislation (outlined in Part 2) by all 28 Member States that is the key to unlocking the full potential of the SM. This goes without prejudice to the introduction of new elements and instruments that would further enhance and be complementary to thus said legislation.

Your Rapporteur believes that the lack of and slow pace of investment in the EU, especially in the field of ICT, and the difficulties SMEs face accessing venture capital to be a critical barrier to growth and job creation across the EU. She therefore welcomes the Commission’s Investment Plan for Europe and the European Fund for Strategic Investments which aim to support investment in the real economy and ease access to funding for SMEs but believes

11 Both documents can be found via the following link: http://ec.europa.eu/priorities/internal-market/index_en.htm
further steps and financial support could be given to SMEs and companies in order to support their transition to digital\(^{12}\).

The report goes on to further address the transformative effects of digitalisation on businesses and consumers in Part 3. The SM of the 21st century is radically different from that of the 20th. These changes can be largely be attributed to the digital revolution; blurring of lines between products and services and the birth of the ‘prosumer’ – who combines elements of consumption and production, as well as changing models of our economy i.e. the emergence of the sharing economy. Recalls that the collaborative economies value today is estimated at 10 billion euros globally but by 2025 this is expected to increase to more than 250 billion euros.

Your Rapporteur highlights a new paradigm in investment patterns, with business investment and expenditure in intangible assets being on the rise compared to tangible assets. She firmly believes that the creation of a single Digital Market has the potential to transform our lives beyond recognition.

However, she would like to point out that a number of obstacles still remain in place, such as geo-blocking, different rules on parcel delivery, lack of harmonised EU rules on contracts and consumer protection when it comes to cross-border e-commerce rules and lack of necessary digital infrastructure, to name but a few, that hinder the completion of the DSM. The Rapporteur welcomes the Commission’s Digital Single Market Strategy but calls for more attention to be paid to changing behavioural and societal trends in relation to digital technology.

The report emphasises that Europe now faces a different kind of competition – a digital one. Instead of developing powerful industrial sectors locally, emerging economies can now leapfrog more advanced economies by adopting the latest technologies and sourcing products and services globally. This is why the Rapporteur would like to point out again that investment in ICT, digital technologies and R&D are essential if the EU want to have a competitive advantage. Infrastructure, interoperability and EU wide standards are essential to make it possible for the digital transformation to take place equally across Europe.

Your Rapporteur also believes the lack of necessary digital skills and training to be a crucial missing piece of the puzzle without which the DSM will never be truly complete. As unemployment continues to be significantly higher across Europe than before the recession it is imperative we provide the EU citizens with the relevant skills and knowledge to adapt to the ever growing digitalisation of businesses and industries, thus preventing the otherwise inevitable growth of unemployment.

This report is of the view that governance in the Single Market remains weak (Part 4). In order to tap the potential of the Single Market, implementation and enforcement need to be considerably strengthened and remaining obstacles and unjustified or disproportionate restrictions eliminated.

Your Rapporteur recognises that change cannot only come from the top, but that all players

\(^{12}\) Currently 41% of enterprises are still classifiable as non-digital – meaning they do not use digital technologies and have no digital strategy – while only 2% take full advantage of digital opportunities (p.3)  
need to embrace a Single Market compliance culture and work in a cooperative partnership. Such multilevel ownership needs to be supported by adequate training, assistance and dedicated resources and accessible information at all levels.

Your Rapporteur believes that the Commission should take a strategic approach to enforcement and choose among all available instruments, from soft measures, such as ex-ante and ex-post notifications of national legislation, proportionality, benchmarking, structured dialogue with Member States, peer pressure, to infringements.

Monitoring progress in Single Market integration, collecting data about complaints, national legislation, and evaluating is of paramount importance for effective enforcement. Moreover, division of tasks between European, national and regional levels needs to be clarified. The framework should provide better incentives and clear accountability for implementation and enforcement of Single Market laws, which are needed to rebuild ownership and trust and compliance culture.

The report suggests that the Commission should prioritise when using infringement procedure and focus on cases that would have a large dissuasive effect and build a robust body of evidence. Your Rapporteur is of the view that an ‘easier’ and faster instrument of more general application is needed as an alternative to infringements - a fast extra-judicial arbitration mechanism which could built on SOLVIT.

The existing system of national market surveillance authorities and the capacity of the network to effectively enforce EU standards are also reflected upon in this report. It calls for a stronger system of closer cooperation among national surveillance authorities, better exchange of information and best practices and more coordinated actions to effectively and quickly respond to a high number of illegal and non-compliant products within the EU.

Your Rapporteur firmly believes that easy access to information for businesses and consumers is a prerequisite for good governance of Single Market. She recognises the work of the Commission and of Member States on a number of information portals dedicated to various users: businesses, citizens and consumers. She is of the view that a simple, user-friendly, accessible umbrella gateway such as the Single Digital Gateway is needed to streamline and simplify access to information and to promote existing platforms dedicated to users, provided that national and regional governments make the gateway accessible and publically inform citizens about its use.
RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

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| Result of final vote | +: 27  
| | -: 1  
| | 0: 2  |
| Members present for the final vote | Dita Charanzová, Carlos Coelho, Anna Maria Corazza Bildt, Nicola Danti, Pascal Durand, Vicky Ford, Ildikó Gáll-Pelcz, Evelyne Gebhardt, Liisa Jaakonsaari, Antonio López-Istúriz White, Marlene Mizzi, Robert Rochefort, Andreas Schwab, Olga Sehnalová, Catherine Stihler, Richard Sulik, Róža Gráfin von Thun und Hohenstein, Mylène Troszczynski, Anneleen Van Bossuyt |
| Substitutes present for the final vote | Pascal Arimont, Biljana Borzan, Edward Czesak, Roberta Metsola, Jens Nilsson, Julia Reda, Adam Szejnfeld, Marc Tarabella |
| Substitutes under Rule 200(2) present for the final vote | Isabella De Monte, Andrejs Mamikins, Ivan Štefanec |
### FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

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**Key to symbols:**
- + : in favour
- - : against
- 0 : abstention