Delivering a single market to consumers and citizens

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The Committee on the Internal Market and Consumer Protection adopted the own-initiative report drawn up by Louis GRECH (S&D, MT), on delivering a single market to consumers and citizens. It considers that the Union is facing a particularly problematic time in the history of single European market integration. Members stress 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. They underline; however, that **the single market integration process is not irreversible**.

Members consider that the economic and financial crisis have 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. They are concerned that the current crisis could actually be used to justify reviving protectionist measures in various Member States, whereas the downturn calls for common safeguard mechanisms instead. The single market is in dire need of a new momentum. Members emphasise 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.

Need for a holistic and common approach: Members emphasise that a stronger, deeper and expanded single market is of vital importance for growth and job creation. The single market should provide benefits for consumers in terms of better quality, greater variety, reasonable prices, and safety of goods and services and it is a very important prerequisite for the success of the EU 2020 strategy. The report calls for a new paradigm of political thinking, focusing on citizens, consumers and SMEs in the re-launch of the European single market, and states that this can be achieved byputting European citizen at the heart of EU policy-making.;

Challenges and opportunities: Members emphasise 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. They highlight the importance of i) establishing a green single market for emerging low-carbon and environmental technologies, ii) the opportunities offered by the internet and e-commerce, the need to reform intellectual property rules and iii) the urgent need to resolve the outstanding issue of the Community patent.

Citizens and consumers: the committee is convinced that European citizens' knowledge of the single market is 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. It takes the view that decisive action must be taken to ensure that future EU policy on the single market addresses the needs of citizens, especially consumers and SMEs, and provides them with tangible results. The report sets out some of the difficulties encountered by consumers especially in the services sector, and highlights the need to organise the relevant websites, SOLVIT and contact points more effectively .It 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. Problem-solving systems, such as SOLVIT, need to be strengthened in accordance with Parliament's report on SOLVIT. The committee calls on the Commission to initiate an accelerated Treaty infringement procedure if an unresolved SOLVIT complaint reveals a prima facie breach of Community law.

Small and medium-sized enterprises: Members emphasise that greater efforts must be made to improve access for SMEs to the single market. 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. The report 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 it 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.

Stronger institutional role in establishing and implementing single market rules: Members ask the Commission to develop new ways, other than formal infringement procedures, to improve the transposition and enforcement of single market rules. They ask 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. The report calls for the strengthening of Parliament's role in the areas of application, enforcement and monitoring of single market legislation. It 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.

Measures needed to empower citizens and SMEs more effectively: the committee 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; This communication strategy should expressly include problem-solving methods, such as Solvit;
- 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;
- 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
- 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.

Strategic reports and proposals: the report makes a series of proposals on the strategy to be adopted and the need to adopt a '**Single Market Act**', which should be presented' 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. It emphasises that the Act 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. The committee reiterates the importance of the Services directive in completing the single market, and the huge potential it has for delivering benefits to consumers and SME.

Recalling the importance of the Services Directive in completing the single market, Members call on the Commission, after the implementation phase, to undertake an evaluation of the Directive to determine whether it has achieved its main goals. They call for a clear involvement of Parliament in this work.

The Commission is invited to i) during the current parliamentary term a proposal for a regulation on a European Statute for Mutual Societies and Associations, ii) 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, iii) to focus more closely on market monitoring, especially in the areas of financial services, insurance, telephony, banking services and utilities.

Lastly, Members invite the Commission to consider adopting a ‘Citizens’ Charter’ encompassing the various facets of the right to live and work anywhere in the EU, and states that this right must be readily available to all EU citizens.