Better governance for the single market

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The European Parliament adopted a resolution with recommendations to the Commission on the governance of the Single Market, in response to a Commission communication on the subject.

Members recall that 20 years after its official creation, the Single Market has not yet been fully completed, primarily because Member States have not fully transposed or implemented the approximately 1500 directives and around 1000 regulations. Concrete actions, both at Member State and Union level, are still necessary to fully implement freedom of movement for goods, persons, services and capital in the Union.

This is why Parliament requests the Commission to submit as soon as possible, whilst considering as the possible legal basis all relevant provisions of the TFEU relating to the internal market, including Article 26 (3) TFEU, **a proposal for an act aimed at strengthening the governance of the Single Market** in regard to the following:.

Legislation: better evaluating the impacts:

- strengthen the **coordination** inside the Commission, **better evaluate** the need for new instruments and hence improve the coherence before a legislative act is proposed;
- opt for **regulations** instead of directives, wherever appropriate;
- introduce a '**Single Market Test**' to measure the impact of new legislation at national level on the Single Market;
- consider the feasibility of the **extension** of the scope of Directive 98/34/EC ('Notification Directive') to other sectors.

Better transposition and implementation:

- each Member State should **transpose every directive in a consistent manner** and adopt all transposition measures relating to the whole of a Union legislative act jointly and at the same time;
- make greater use of **correlation tables** to ensure greater transparency of implementation and uniform application of Union law in the Member States;
- governance of the internal market could benefit from increased and enhanced **exchanges of experience and best practices** between civil servants at Union and national level;
- beyond mere statistical assessments, there is the need for a **qualitative evaluation of implementation** which allow to consider which measures have a particular impact and economic relevance for the Single Market;
- it is pertinent to **distinguish between non-transposition,** which is a clearly identifiable failure by the Member State, and **non-conformity** with Union law, which is a case of a different understanding of the underlying legislative act;
- **Parliament should be provided annually with a list** of non-transposed or incorrectly transposed Union legislation in the Member States concerned.

Better enforcement:

- there should be a **'zero tolerance' policy** in relation to Member States that do not implement the rules of the Single Market properly;
- faster procedures within the Commission and, where appropriate, recourse to **interim proceedings before the Court of Justice**, in accordance with Article 279 TFEU, should be applied more actively;

- the Commission should promote the **use of the 'EU Pilot'** and further improve its effectiveness, in order to better detect and correct infringements of Single Market rules;
- the Commission should offer a more extensive use of **'EU sweeps'** to Member States in order to facilitate surveillance, in particular by less-equipped and less-prepared national authorities.

Key areas: setting priorities: Members recommend a stronger focus on a **limited number of instruments and actions** in order to achieve tangible improvements in the application of Single Market rules. They consider that the digital Single Market, the services sector, the energy sector, public procurement, research and innovation, as well as consumer protection and increased mobility of citizens, in particular workers and professionals, figure among the most important key areas for growth.

The resolution insists on the need to take further steps towards a **regulation of financial services** to ensure adequate information and protection for consumers and the transparent assessment of financial products, particularly the risky ones. They also emphasise that a properly functioning and fully completed Single Market cannot be effective without a **single, interconnected and efficient European transport system**.

An internal market for all stakeholders:

- a stronger and earlier involvement of the social partners, civil society and all other stakeholders in designing, adopting, implementing and monitoring the measures needed to boost growth and citizens' rights in the Single Market, based also on forms of online participation and e-democracy, is essential to restoring confidence in the Single Market;
- the Single Market strategy should strengthen social welfare, convergence and workers' rights, prevent social dumping and ensure fair working conditions for all Europeans.

European Semester: the evaluation of the state of the Single Market should become an integral part of the European Semester, with a Single Market Governance pillar being put in place alongside the Economic Governance pillar. Parliament considers that the Commission's proposal to prepare an annual report on the integration of the Single Market contributing to the evidence base underpinning country-specific recommendations could lay the foundation for a future annual Single Market cycle within the European Semester.

Recommendations: the resolution contains a series of detailed recommendations concerning the content of the proposal: (i) establish a consistent framework for the governance of the Single Market; (ii) determine the Union's objectives and priorities for action in order to improve the operation of the Single Market; (iii) determine the conditions to be ensured to ensure Single Market governance; (iv) define supplementary measures necessary to enhance the implementation and enforcement of the Single Market regulatory framework; (v) provide for the submission, assessment and monitoring of national action plans; (vi) provide for the formulation of distinct Single Market-related country-specific recommendations; (vii) define a Single Market pillar of the European Semester; (viii) increase the democratic accountability and the role of the European Parliament and of national parliaments.