Single market governance within the European semester 2016

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The European Parliament adopted by 462 votes to 166, with 7 abstentions, a resolution on the Single Market governance within the European Semester 2016.

The Single Market and European Semester: Parliament recalled that the Single Market is one of its major achievements and stressed that it is a crucial instrument to improve growth, employment and competitiveness.

It reiterated its call for **inclusion of the Single Market pillar in the European Semester in order to** boost EU competitiveness and delivering jobs and growth. The single market pillar comprises the following elements:

- **a system for regular monitoring,** identification of the country-specific barriers to the Single Market and should provide an evaluation of single market integration and competitiveness, focused on a set of priorities: this 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;
- **report on single market integration and competitiveness in the EU and its Member States**: Members stressed that the single market is the backbone of Member States' economies and the European integration project as a whole. This report should feed into the specific single market section in the Annual Growth Survey, in CSRs and in regular structured Single Market compliance dialogue with the Member States;
- 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 country-specific recommendations (CSRs).

Untapped potential of the Single Market: Parliament underlined 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.

Members regretted 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.

Parliament welcomed the modernisation of the Professional Qualifications Directive, proposing a **smoother system of recognition of qualifications** supporting labour mobility and welcomed the Commission's intention to consider an initiative for a **services passport** and a harmonised notification form.

The resolution insisted, inter alia, on the need to:

- remedy the inefficiencies in **public procurement** across Member States and ensure the need for proper and timely transposition and implementation of public procurement and concessions legislation by Member States;
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- support transparency of public procurement in the public sector, cross-border competition and better use of public resources, including social and environmental standards;
- develop **e-administration** as a key and urgent priority;
- ensure proper application and better enforcement of the **mutual recognition principle** and for cost-efficient instruments for dispute settlement;
- eliminate the many barriers, mainly bureaucratic, which hinder the development of start-ups and SMEs domestically and internationally;
- invest in the area of **Information Communication Technology (ICT)** and demand that investment be focused on financing the real economy and that sustained measures continue to be taken to achieve that goal;
- upgrade the **European Standardisation System;**
- **modernise their public administrations** by providing more, and better accessible, digital services for citizens and businesses.

The Single Market in the 21st century: Parliament emphasised 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. It highlighted the **blurring of lines** between products and services. Moreover, it pointed out that expenditure in intangible assets are growing in size and importance in comparison to investment in tangibles. Single market regulatory frameworks need to embrace these transformative developments.

In this regard, the Commission is called upon to take a strategic approach to enable **sharing economy businesses** to compete with traditional businesses in a fair environment

Parliament welcomed the Digital Single Market Strategy whilst stressing 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.

Moreover, they emphasised:

- that an allocation of national and EU funds is needed in order to provide the **required infrastructure**, in particular for rural areas;
- that it is also important to support digital innovation and **improved interoperability**, and that particularly close attention should be paid to cyber security issues;
- 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.

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 is stressed.

Governance of the Single Market: in order to achieve stronger single market governance and ownership at all levels, Parliament called for: (i) **a clarification of division of tasks** between those levels; (ii) frameworks providing better incentives and clear accountability for the implementation and enforcement of single market laws are needed to give new impetus to the single market.

In this regard, Members called for a **broader culture of regulatory enforcement** and 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.

Lastly, the Commission is called upon to: (i) 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; (ii) use all available measures, including **infringement procedures**, when necessary, to ensure full implementation of single market legislation.