Towards improved single market regulation

2015/2089(INI) - 12/04/2016 - Text adopted by Parliament, single reading

The European Parliament adopted by 387 votes to 293 with 26 abstentions, a resolution entitled "Towards improved single market regulation".

More than 20 years after its official creation, the single market framework is still fragmented, in particular because the Member States have not fully transposed or correctly implemented EU legislation

Parliament stressed need to strengthen the governance of the single market and to base the forthcoming internal market strategy should be aimed at improving single market regulation through an effort to learn from the experiences of the past in the areas of free movement of goods and services, the digital single market, professional qualifications and public procurement.

The single market, a key tool for reigniting economic growth and job creation in the Union: Members consider that improving single market regulation should be **both a priority and a shared responsibility** of the EU institutions.

The report however emphasises that improving single market regulation **does not mean removing all regulation or diminishing the level of ambition of regulation**, for instance in terms of environmental protection, safety, security, consumer protection and social standards. Rather, it means removing unnecessary regulation, bureaucracy and negative impacts while achieving policy objectives and delivering a competitive regulatory environment that supports employment and enterprise within Europe.

From this perspective, Members made the following general observations:

- **"better regulation"** should be seen in the context of the whole policy cycle, whereby all elements contribute to efficient and effective regulation; specific indicators for **measuring the success of relevant legislation** should be used throughout the whole policy cycle;

- the principle of **subsidiarity** must represent the starting point for policy formulation, so as to underline "European added value" in the governance of the single market; the principle of proportionality is reflected in the drafting of the relevant legislation;

- **national parliaments** themselves could play a more active role, particularly in consultation processes;

- **simplification** should be an ongoing process, as efforts in these areas are of benefit to consumers and SMEs;

- single market regulation should take into account the new opportunities afforded by the **digital revolution**;

- the Commission should strengthen the role of the single market as a separate pillar of the **European Semester process**.

Tools to improve single market regulation:

- ***Impact assessment:*** Parliament viewed effective impact assessments as an important tool for **informing policymakers about how best to design regulation** to achieve these EU objectives, that is, to promote competitiveness, innovation, growth and job creation. It considered it regrettable that around 40 % of draft impact assessments examined by the Commission Impact Assessment Board from 2010 to 2014 were considered to be of insufficient quality and were sent back for improvements. It considered it regrettable that impact assessments submitted to Parliament to accompany draft proposals were still found to have shortcomings.

In order to be effective tools, impact assessments should:

- be prepared on the basis of comprehensive, objective and complete information and evidence, and should include all options which have a significant impact or are politically important;
- be conducted in such a way as to also take account of ex-post assessments of existing legislation in the same sector;
- take account of scientific advice;
- be supplemented by impact assessments on substantial amendments adopted by the co-legislators;
- give consideration to consistency between a new legislative initiative and the other policies and general objectives of the European Union;
- take into account the pace of digital innovation and evolution and the need for legislation to be technology-neutral and as future-proof as possible.

Members stressed the need for REFIT proposals to be more targeted, with potential benefits and cost savings being quantified in each proposal.

-***The consultation process:*** Parliament recalled its position that the consultation process should be open, transparent and inclusive and expanded to reach out to SMEs and start-ups and civil society organisations. It called on the Commission to consider establishing a **European Stakeholder Forum** on better regulation and less bureaucracy.

-***Monitoring and problem-solving:*** Parliament encouraged the Commission and Member States to:

- raise awareness of **alternative dispute resolution (ADR) and online dispute resolution (ODR)** as key tools for improving the single market for goods and services, and publicise one-stop shops in support of dispute resolution, along the lines of **SOLVIT, ECC-Net and FIN-Net**,
- improve the services offered by the **EU Pilot projects**, which are designed to avert the need for the Commission to institute infringement proceedings against Member States;
- continue to expand the Internal Market Information System (IMI) to other single market tools so that it can become a central information hub;
- explore the possibility of establishing a **single point of contact for consumers** and foster understanding of consumer rights in areas such as e-commerce and the recognition of qualifications;

- consider whether an **"early warning system"** could be created that signals where problems exist in the implementation or application of EU law.

-Enforcement and market surveillance: the resolution recommended:

- closer cooperation between single market governance tools that receive **consumer complaints** about traders breaching EU legislation;

- **launching timely and faster infringement proceedings** where evidence exists to demonstrate a failure in implementation and where reasonable efforts to solve problems have failed;

- using **market surveillance tools** in conjunction with single market tools.

Members considered it regrettable that **Parliament's access to relevant information** relating to pre-infringement and infringement proceedings is limited, and called for improved transparency in this area.

-Ex-post evaluation and review: Parliament considered, however, that analysis regarding REFIT should be improved as to whether the legislative steps taken so far have contributed effectively to achieving their aim and are consistent with current policy goals. It welcomed the Commission’s commitment to examining the cumulative cost of regulation, which often represents a barrier for participants in the single market, particularly SMEs.

Members are of the view that **sunset or enhanced review clauses** may be considered on an exceptional basis, in particular for temporary phenomena, with the institutions undertaking to keep legislation up to date and in place only where necessary.