Single Market: report 1994

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The rapporteur regretted that the Council had made little progress towards achieving the single market in 1994. Mr WATSON highlighted the most significant problems that were obstructing the realisation of the single market and, as a result, distorting competition: - the mutual recognition principle was often not observed in the Member States, - public procurement practices had barely changed since the sector was liberalised, - no steps had been taken to harmonise provisions in important areas of taxation, except in the case of VAT, - environmental regulations differed, - controls on individuals at internal borders had not been completely removed, - excessive bureaucracy was imposed on businesses, particularly SMEs, - national governments engaged in practices that ran counter to the Community standard. Moreover, the measures taken by national administrations to transpose Community legislation were sometimes excessive, thereby complicating regulations, impairing their efficiency and increasing the constraints on enterprises. However, deregulation alone was not the answer. Commissioner MONTI stated that the single market was the driving force behind European integration, on the one hand because it was the aspect of European integration that the citizens were most aware of, and on the other hand because it was the basis for European growth. He anticipated that the next Commission report for 1995 would be forwarded to Parliament well before this year’s deadline. It would contain a chapter on the relationship between the internal market and the environment and would in general provide as inclusive a view as possible of the market itself. The Commission had been working for 10 months on: a) completing the single market (a term that Mr Monti preferred to internal market, which was too insular), in terms of both legislation, in relation to the free movement of persons or the tax system, and infrastructures, for example the trans-European networks; b) applying effectively the existing measures for the implementation of the single market, establishing a ‘complaints’ office in each Member State for example; c) expanding the market, notably to the CEECs and to Cyprus and Malta; d) protecting the market by combating competitive devaluations and ensuring that if a ‘two-speed’ EMU were established there would be no other divisions within the market; e) placing the citizens at the heart of the single market by providing them with better information on their rights through the implementation of the ‘Citizens First’ initiative.