

Basic information	
2004/2225(INI) INI - Own-initiative procedure	Procedure completed
The effect of globalisation on the internal market	
Subject 2 Internal market, single market	

Key players			
European Parliament	Committee responsible		Rapporteur
	IMCO Internal Market and Consumer Protection		HERCZOG Edit (PSE)
	Committee for opinion		Appointed
	INTA International Trade		MARKOV Helmut (GUE/NGL)
	EMPL Employment and Social Affairs		The committee decided not to give an opinion.
	ENVI Environment, Public Health and Food Safety		The committee decided not to give an opinion.

Key events			
Date	Event	Reference	Summary
18/11/2004	Committee referral announced in Parliament		
30/01/2006	Vote in committee		Summary
01/02/2006	Committee report tabled for plenary	A6-0021/2006	
13/02/2006	Debate in Parliament		
14/02/2006	Decision by Parliament	T6-0055/2006	Summary
14/02/2006	Results of vote in Parliament		
14/02/2006	End of procedure in Parliament		

Technical information

Procedure reference	2004/2225(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	IMCO/6/24619

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Amendments tabled in committee		PE365.155	06/12/2005	
Committee opinion	INTA	PE360.319	05/01/2006	
Committee report tabled for plenary, single reading		A6-0021/2006	01/02/2006	
Text adopted by Parliament, single reading		T6-0055/2006	14/02/2006	Summary

The effect of globalisation on the internal market

2004/2225(INI) - 14/02/2006 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on the own-initiative report drafted by Edit **HERCZOG** (PES, HU) on the effects of globalisation on the internal market. Statistical data suggest that the EU has been facing challenges concerning the retention of its leading position in key areas such as economic growth, labour market performance, research and innovation. However, Parliament felt that globalisation should not be considered exclusively as a negative factor leading to social fragmentation. It should rather be seen as a framework, on the one hand providing new opportunities in the form of access to the worldwide market, but on the other, posing the threat of EU dependency on the development of worldwide trade. This is why political management should support positive and eliminate negative influences on the internal market. The latter must be made more flexible and globally oriented, while, at the same time, finding ways to deliver growth, jobs, social justice and respect for ecological balance and maintaining the EU's values and social model.

Parliament stated that in order to realise potential gains from globalisation, the EU must adapt to global economic changes; advance in areas of economic strength, such as the medium-high technology sector; address its weaknesses, as in the high-technology sector, including information and communication technology and bio-technology, and develop new areas of comparative advantage. A strategy for facing the challenges of globalisation must include a call for clear political commitment for the completion of the internal market as the EU's strongest asset to maximise the advantages of globalisation.

Parliament highlighted the concerns expressed by the Commission, in its Communication on European values in the globalised world ([COM\(2005\)0525](#)), about the impact of globalisation on European workers. It was of the opinion that the Lisbon Strategy as a general economic plan might not be enough to deal with globalisation and called for other action lines that may be developed specifically to cushion the negative effects of globalisation and to help take advantage of its positive effects (such as a globalisation adjustment fund).

Parliament felt that the following factors were important in the development of a strategy for facing the challenges of globalisation:

- successful strategies to safeguard European values in a competitive global environment and to give effect to those values in the shaping of global policies;
- developing the European tradition of excellence and ensuring as a priority the establishment of a high level education system accompanied by a corresponding financial basis for research and development and innovation;
- a common knowledge-management system with efficient knowledge-protection tools and the need for an effective programme to turn innovation into investment and economic value;
- the protection of intellectual and industrial property rights, inter alia by setting up integrated and efficient patenting schemes, along with effective regulation and control on counterfeiting, in order to protect European economic interests;
- continuing the Better Regulation programme at both EU and national level;

- faster and more efficient dispute resolution within the internal market;
- speeding up transposition of internal market rules;
- an analysis of the non-market factors of the EU economy which are connected to the challenges of globalisation within the EU (such as demographic challenge) and worldwide (such as responsibility towards third world countries);
- the application of clear labelling rules and the observance of denominations of origin as means of guaranteeing the protection of European goods and values.

Parliament went on to call on the Commission to increase preferential access to the EU market for those third countries that have ratified and appropriately applied core international labour and environmental standards, and to grant further preferential market access to countries that have adopted legislation on social and environmental protection and respect for cultural diversity.

It applauded those Member States that have opened up their labour markets to citizens from the new Member States and thus have significantly contributed to a more mobile and competitive internal market in employment. Member States that still maintain restrictions in this regard were urged to eliminate existing obstacles to the free movement of labour.

Parliament stated that it was committed to developing a regular ex-post impact assessment procedure to evaluate the effects and implementation of economic and internal market regulation. It called on the Commission to do likewise. The Commission should also carry out impact assessments on the effect on the internal market of further multilateral market opening in agriculture, manufacturing and services. These assessments should be shared with a wide range of stake-holders before the Commission formulated its trade negotiation strategy in international trade negotiations.

Finally, Parliament pointed out that the creation of an internal market in services is essential in order to achieve the Lisbon Strategy goals and, therefore, to increase the EU's competitiveness on the world market.