


# Procedure file

Basic information	
COS - Procedure on a strategy paper (historic)	1996/2223(COS)
Impact and efficiency of the internal market	Procedure completed
Subject	
2 Internal market, single market	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ECON</b> Economic and Monetary Affairs, Industrial Policy		21/01/1997
		PSE <a href="#">HARRISON Lyndon H.A.</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>JURI</b> Legal Affairs, Citizens' Rights		22/01/1997
		PSE <a href="#">BERGER Maria</a>	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Competitiveness (Internal Market, Industry, Research and Space)</a>	<a href="#">1993</a>	13/03/1997

Key events			
30/10/1996	Non-legislative basic document published	COM(1996)0520	Summary
13/12/1996	Committee referral announced in Parliament		
13/03/1997	Debate in Council	<a href="#">1993</a>	Summary
22/04/1997	Vote in committee		Summary
22/04/1997	Committee report tabled for plenary	<a href="#">A4-0160/1997</a>	
28/05/1997	Debate in Parliament		
29/05/1997	Decision by Parliament	T4-0277/1997	Summary
29/05/1997	End of procedure in Parliament		
16/06/1997	Final act published in Official Journal		

Technical information	
Procedure reference	1996/2223(COS)
Procedure type	COS - Procedure on a strategy paper (historic)

Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/08385

### Documentation gateway

Non-legislative basic document	COM(1996)0520	30/10/1996	EC	Summary
Document attached to the procedure	SEC(1996)2378	16/12/1996	EC	
Committee report tabled for plenary, single reading	<a href="#">A4-0160/1997</a> <a href="#">OJ C 167 02.06.1997, p. 0003</a>	22/04/1997	EP	
Economic and Social Committee: opinion, report	<a href="#">CES0467/1997</a> <a href="#">OJ C 206 07.07.1997, p. 0065</a>	23/04/1997	ESC	Summary
Text adopted by Parliament, single reading	T4-0277/1997 <a href="#">OJ C 182 16.06.1997, p. 0015-0062</a>	29/05/1997	EP	Summary

## Impact and efficiency of the internal market

OBJECTIVE: the Commission communication presents, on the basis of an initial study conducted over the past two years, an analysis of the impact and effectiveness of the single market. SUBSTANCE: on the basis of the data available to it the Commission considers that, even if there are many gaps, the general picture is encouraging and the single market has had the expected effect: strengthening of competition; accelerated pace of industrial restructuring; greater competitiveness; a wider range of products and services available to public sector, industrial and domestic consumers at lower prices; faster and cheaper cross-frontier deliveries; greater mobility within the EU of workers and those not economically active (students and retired people). In terms of economic effect, the results of the single market can be summarized as follows: - between 300 000 and 900 000 more jobs than would have existed in the absence of the Single Market; - an extra increase in EU income of 1.1 - 1.5% over the period 1987-1993; - inflation rates which are 1 to 1.5% lower than they would be in the absence of the single market; - expansion of intra-Community trade, representing 68% of total trade of the fifteen; - strengthening of structural convergence between the economies of the Member States. The report also highlights the many problems which still exist and puts forward clear recommendations for action at two levels: - first of all at national level, as it is primarily the national authorities which are responsible for applying single market rules. The Commission is urging that enforcement of Single Market legislation and Treaty rules be stepped up. It calls for vigorous action to be taken to reduce excessive regulation at national level; - at Community level, where further efforts must be made to complete the 1985 agenda in a few key areas (such as abolition of border controls on persons, taxation and company law). Provisions are also needed with a view to the creation of the single market in new areas such as biotechnology and the information society, making up the delays in the energy sector (where there is still no single market), and lastly to put flesh on Community provisions in areas such as competition, consumer policy and the environment. The introduction of a single currency in 1999 will also make the Single Market more effective, by eliminating the constraints which now result from exchange risks and by increasing competition. ?

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A first (open) debate on this communication took place during the Internal Market Council of 26 November 1996. Subsequently, the Dublin European Council took note of the Commission's intention to submit before the Amsterdam European Council an Action Plan and a timetable covering all necessary measures that must be taken to ensure that the full potential benefit of the Internal Market is achieved before the beginning of stage 3 of EMU. There was an agreement on the need for a renewed commitment to the internal market, together with a new definition of tasks. The Council therefore looks forward to the Action Plan ; this plan must take account of the Union's situation, and in particular of the drastic changes in the social situation of the Community since the presentation of the 1985 White Paper. The Council asks the Commission to take on board, in the elaboration of the Action Plan, the comments made during today's debate. A further exchange of views on this matter will take place at the next Internal Market Council, on 20 May 1997, at which the Commission intends to present an outline of the plan.?

## Impact and efficiency of the internal market

The Committee adopted a report by Lyndon HARRISON (PES, UK) on the Commission communication regarding the impact and effectiveness of the Single Market ten years after the 1985 Delors White Paper. The Committee supported the Commission's intention of launching an Action Plan to ensure that the large number of uncompleted original aims of the Single Market will be implemented. The plan also strikes at member states that have not transposed EC legislation into national law. In the report, the Committee lists a number of additional points that are crucial to successfully solving problem areas within the Single Market. The creation of a more effective EU Monitoring System, to follow the

Member States' implementation of EU law more closely, was a prime example. Other areas where the Committee wants to see more action from the Commission include measures to ensure that SMEs are able to fully benefit from the Single Market, tax policy and freedom of movement for persons as well as eliminating unnecessary red tape. ?

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[The Committee welcomed the Commission's announcement that it would submit an action plan for completing the single market in time for the introduction of the single currency, as advocated by the Committee since 1995.](#) Since the 1999 deadline left less than two years to complete this programme, the most complex outstanding problems should benefit from an additional period of time, but not beyond 2002. The Committee therefore underscored the need for cooperation between the public authorities of the Member States and other countries within the EEA, both directly and with the EU, for an effective relaunch of the commitment to complete the single market. The single market programme had to be viewed in the broader context of all Community policies; these instruments had to be coordinated as closely as possible in order to help the EU to meet the challenges of employment and economic globalisation.

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In adopting the report by Mr. Lyndon Harrison (PES, UK) Parliament expressed its view that the European Commission should expose and name Member States which have failed to cut back home-grown legislation impeding the development of the single market, and pinpoint those Member States which have failed to transpose Community legislation into national law. It believes that - with the single market programme having created an extra 1.5% GDP, adding \$130 billion to the EU's wealth in 1996 - experience has shown that completing the single market is the most efficient and effective way of creating sustainable jobs for EU citizens. However, in view of the very limited impact the single market has made on employment, Parliament calls for the single market programme to be backed by a common European employment policy. With a view to dismantling trade barriers, the report calls on the Commission to eliminate cartels, monopolies and abuses of dominant position. It emphasizes, however, that unless free trade is accompanied by other measures, such as social and environmental protection, it will not produce the desired results. The report expresses the concern that small and medium-sized firms (SMEs) have not been able to take advantage of the gains of a larger single market in the EU, have failed to participate in public projects, have been burdened by the cost of hundreds of Community directives and find it impossible to seek redress. It therefore proposes drawing up a dedicated action plan, to run beyond the current multiannual programme for SMEs from 1997 to 2000, with the aim of helping SMEs participate in and benefit from the single market, and a vademecum of compliance with single market legislation to help SMEs. It also suggests transforming the European Information centres into Redress Complaints Centres which meet the costs of bringing legal action before national courts. Parliament calls on the Commission to draft proposals for European legislation on the private pensions insurance sector in order to guarantee the proper functioning of the internal market for insurance and facilitate the free movement of workers. It believes that an efficient single market presupposes simplified taxation system in the EU which would avoid double taxation, eliminate fraud and offer incentives for investment. Such systems must be fair, cover all sources of income and ensure the responsible redistribution of wealth. As regards environmental protection, the report suggests introducing eco-taxes and calls for national rules on solvent emissions, eco-label schemes and waste management to be scrutinized. Consumer policy should also be fully integrated into EU law at its creation and application and should include labelling of goods, clear and simple redress procedures, cross-border guarantees and active consultation of consumer associations. The Commission is called on to: - speed up the adoption of legislation in key areas concerning freedom of movement and freedom of establishment for individuals, the creation of the European company, taxation of investment income, recognition of diplomas, communications networks and the transmission of information and energy; - continue its simplification exercise to remove two remaining barriers, described as the "black hole" of the single market, namely public procurement and state aid; - complete the trans-European networks in energy, transport and telecommunications. ?